



Informational Document for the admission to listing on the *Mercado Alternativo Bursátil* (Alternative Equity Market) of the ordinary shares of

TESTA RESIDENCIAL, SOCIMI, S.A.

(A *sociedad anónima* incorporated under the laws of Spain)

July, 2018

This Informational Document (the “**Informational Document**”) for the admission to listing (the “**Listing**”) on the Alternative Equity Market (*Mercado Alternativo Bursátil*) (hereinafter, the “**Market**” or “**MAB**”), Real Estate Investment Trusts Segment (hereinafter, “**MAB-SOCIMI**”), of ordinary shares with a par value of €1 (the “**Shares**”) each in the capital of Testa Residencial, SOCIMI, S.A., a *sociedad anónima* incorporated under the laws of Spain (“**Testa**” or the “**Company**”), constitutes an Informational Document for the purposes of MAB Circular 9/2017, of December 21, 2017 on 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 (“**SOCIMI**”) (hereinafter “**MAB Circular 9/2017**”).

Renta 4 Corporate, S.A. has been designated as the Registered Advisor, in compliance with the provisions of MAB Circular 9/2017 and MAB Circular 16/2016, of July 26, 2016 about Registered Advisorates in the MAB (hereinafter, “**MAB Circular 16/2016**”).

Investors in companies listed on the MAB-SOCIMI segment should be aware that they may assume a greater risk than that assumed when investing in companies with longer track records listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the “**Spanish Stock Exchanges**”). Investing in companies listed on the MAB-SOCIMI segment requires proper advice from an independent professional.

All investors are advised to read fully and carefully this Informational Document before making any investment decision on securities.

Neither the governing body of the MAB nor the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the “**CNMV**”) in its capacity as the competent Spanish authority under the restated text of the Spanish Securities Market Act approved by Royal Legislative Decree 4/2015, of October 23 (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) (“**LMV**”) 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 STATES

- (a) that the Company complies with the MAB regulations in relation to the admission (*incorporación*) of the Shares to listing;
- (b) that it has assisted the Company in preparing the Informational Document and has reviewed all information provided by the Issuer to MAB in connection with the application for admission to listing of the Shares on MAB; and
- (c) that the information provided by the Company complies, to the best of the Registered Advisor's knowledge, with the requirements of the applicable laws and contains no omission likely to mislead potential investors.

ESSENTIAL INFORMATION ABOUT THIS INFORMATIONAL DOCUMENT

YOU SHOULD READ THE ENTIRE INFORMATIONAL DOCUMENT AND, IN PARTICULAR, “RISK FACTORS” OF THIS INFORMATIONAL DOCUMENT WHEN CONSIDERING AN INVESTMENT IN THE SHARES.

This Informational Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Company that any recipient of this Informational Document should purchase the Shares. The contents of our website do not form any part of this Informational Document, except for the information expressly mentioned in this Informational Document.

This document does not constitute an offer to the public generally to purchase or otherwise acquire the Shares. In making an investment decision regarding the Shares, an investor must rely on its own examination of the Company including the merits and risks involved. The Company has not authorized any person to provide investors with different information from that contained in this document. If anyone provides an investor with different or inconsistent information, such information or representations must not be relied on as having been authorized by the Company and the Company does not accept liability with respect to such information or representation. Investors should assume that the information appearing in this document is accurate only as of its date. Our business, results of operations, financial condition and prospects and the information set forth in this document may have changed since the date of this document.

Having taken all reasonable care to ensure that such is the case, the information contained in this Informational Document is, as of the date of this Informational Document and to the best of our knowledge, in accordance with the facts and contains no material omission likely to affect its import. No obligation is assumed to publish additional information other than as required by applicable Law and MAB regulation. The information contained in this Informational Document must be considered taking into account the risks described under “*Risk Factors*”, which forms an essential and integral part hereof. A potential update or adjustment in the information or statements contained in this Informational Document as a result of the occurrence of any of the described risk factors shall not be considered as a mistake or an inaccuracy thereof or make such information misleading.

Apart from the responsibility and liabilities, if any, which may be mandatorily imposed by the regulatory regime in Spain, the Company does not accept any responsibility whatsoever for the contents of this Informational Document nor for any other statement made or purported to be made by the Company or on their behalf. The Company accordingly disclaims all and any liability whether arising in tort or that they might otherwise have in respect of this Informational Document or any such statement.

The contents of this Informational Document are not to be construed as legal, financial or tax advice. You should consult your own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice. Therefore, this Informational Document is not intended to provide the basis of any credit or other valuation and shall not be considered as a recommendation by the Company or their advisors, that any recipient of this Informational Document should purchase the Shares. Each investor or purchaser of the Shares should analyze for itself the information contained in this document and base its investment or purchase of the Shares upon such investigation, as it deems necessary, including the assessment of risk involved and its own determination of the suitability of any such investment, with particular reference to their own investment objectives and experience, and any other factors that may be relevant to such investor in connection with the purchase of the Shares.

The distribution of this Informational Document and the offer or sale of the Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Informational Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been or will be taken in any jurisdiction by the Company that would permit a public offering of the Shares or possession or distribution of the Informational Document in any jurisdiction where action for that purpose would be required. This Informational Document may not be used for, or in connection with, and does not constitute an offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this Informational Document may come are required by the Company to inform themselves about and to observe these restrictions. We do not accept any responsibility for any violation by any person of any of these restrictions.

SOCIMIs are expressly excluded from the scope of Law 22/2014, of November 12, 2014, on the regulation of risk-capital entities, other closed-ended collective investment undertakings and the closed-ended investment

undertaking managers (*Ley 22/2014, de 12 de noviembre, por la que se regulan las entidades de capital Riesgo, otras entidades de inversion colectiva de tipo cerrado y las sociedades gestoras de entidades de inversion colectiva de tipo cerrado*) (“**Law 22/2014**”), implementing Directive 2011/61/EU of the European Parliament and of the Council, of June 8, 2011, on Alternative Investment Fund Managers (“**AIFMD**”). Consequently, Testa does not qualify as an alternative investment fund and is not subject to the restrictions applicable to said regime under Spanish law.

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[It must be noted that there is a summary of the Informational Document, translated to Spanish, which is included as an annex to this Informational Document in accordance with section 3, point 2 of MAB Circular 9/2017. In case of discrepancy between both documents, the English version shall prevail]

SUMMARY

Introduction and warnings

This summary of the Informational Document for the admission to listing on the *Mercado Alternativo Bursátil* (Alternative Equity Market, hereinafter “**MAB**”) of the ordinary shares of Testa Residencial, SOCIMI, S.A. (hereinafter, “**Testa**” or the “**Company**”), is divided into four sections (“Introduction and warnings”, “Issuer”, “Securities” and “Risks”). In this regard, it must be noted that this summary should be read as an introduction to the Informational Document and that any investment decision regarding the securities must be based on the investor’s consideration of the Informational Document as a whole.

Mr. Wolfgang Beck, acting in the name and on behalf of the Company, in his capacity as authorized representative of the Company pursuant to the resolution of its Board of Directors passed on July 16, 2018, which in turn acted on the basis of the resolution of the Company’s shareholders’ meeting passed on the same day, assumes, on behalf of the Board of Directors of the Company, responsibility for the information contained in this Informational Document which also contains all required information pursuant to the Appendix of MAB Circular 9/2017, on requirements and procedure applicable to the incorporation and exclusion on the Alternative Equity Market of shares issued by Growth Companies and Public Listed Real Estate Investment Trusts (*SOCIMIs*).

Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of his knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Issuer

Information on the Company

Testa Residencial, SOCIMI, S.A. is a Spanish *sociedad anónima* of indefinite duration, with Spanish tax identification number (*N.I.F.*) A-82865890 and registered office at Paseo de la Castellana number 257, Madrid (28046). The Company was originally registered under the denomination “Vallehermoso Patrimonio, S.A.” by virtue of public deed authorized by the Notary of Madrid Mr. José Aristónico García Sánchez, dated January 4, 2001, with number 5 of its protocol; registered with the Madrid Commercial Registry on January 24, 2001 at Volume 16,114, Sheet 1, Section 8, Page M-272946 and Inscription 1.

On September 22, 2016, the then sole shareholder of the Company, Testa Inmuebles en Renta, SOCIMI, S.A. (hereinafter, “**TIRSA**”), approved the application to the Company of the special tax regime of Public Listed Real Estate Investment Trusts (*SOCIMIs*).

Brief description of the Company’s business and strategy

Main corporate milestones

The Company was originally incorporated on January 4, 2001 as “Vallehermoso Patrimonio, S.A.”. However, due to the significant changes in terms of size and real estate portfolio that the Company has undergone in recent years, only the events following 2016 are representative of its current scale and scope of business.

On June 2016, the merger by absorption of the Sole Shareholder of the Company at that time, TIRSA, in Merlin Properties SOCIMI, S.A. (hereinafter, “**Merlin**”) was approved. As a result of the merger, completed in October 2016, Merlin became the Sole Shareholder of the Company.

Likewise, on June 2016, Merlin reached an agreement with Metrovacesa and its main shareholders at the time (Banco Santander, BBVA and Banco Popular, now Banco Santander) to create a reference residential real estate vehicle in Spain. The transaction, which was executed on October 2016, consisted in a spin-off of Metrovacesa and the subsequent integration of its residential business unit in the Company. Such business unit consisted

mainly of residential real estate properties intended for rental (with an approximate aggregate GAV at the time of €692 million), cash, certain staff, shares and units of subsidiaries, contracts and approximately €250 million of financial debt. As consideration for the business received, Testa issued 3,075,278,154 shares which were entirely subscribed by the shareholders of Metrovacesa. As a result of this transaction, the then shareholders of Metrovacesa became holders of approximately 65.7% of our share capital at the time.

On July 2016, the Company changed its corporate name and corporate form to “Testa Residencial, S.A.U.” and in September of that same year, the general shareholders’ meeting approved a resolution to apply for the SOCIMI tax regime, changing their corporate name to Testa Residencial, SOCIMI, S.A.

On March 2017, Banco Santander, BBVA and Banco Popular (now Banco Santander), among others, contributed 60 residential developments (with an approximate aggregate GAV at the time of €660 million) to Testa in exchange for 5,221,817,098 shares of the Company, representing approximately 52.8% of the share capital at the time.

On July 2017, Testa and Acciona Real Estate, S.A. (hereinafter “**Acciona**”) entered into an investment agreement regulating the contribution by Acciona of its home rental business and the contribution by Real Estate Deal II, S.A., en liquidación, of certain real estate assets in Madrid, in exchange for 2,687,678,678 shares of the Company. This transaction closed on September 2017.

On September 2017, the Company acquired 134 apartments from BuildingCenter, S.A.U. (hereinafter “**BuildingCenter**”), the real estate subsidiary of CaixaBank, S.A. and on December 2017, the Company purchased 26 apartments from Santander Ahorro Inmobiliario 1, S.A., a member of the Banco Santander Group. On March 2018, Testa reached an additional agreement with BuildingCenter to acquire a real estate portfolio, for an aggregate purchase price of approximately €227 million. As of the date of this Informational Document, Testa has acquired 1,450 apartments of the 1,458 that comprise the portfolio, for a purchase price of €226 million. On June 2018, the Company bought six additional parking spaces from a building included in the BuildingCenter portfolio, for a purchase price of 24,356.58 euros.

On April 2018, the Board of Directors of Testa together with the Sole Director of Urbanizadora de Coto, S.L. (hereinafter, “**Coto**”) prepared and signed a joint merger plan for the absorption of Coto, available on the Company’s website and in accordance with the provisions of the Spanish Act 3/2009 on Structural Amendments of Private Companies (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*). The Company owns 99.65% of Coto’s share capital. Coto’s portfolio is comprised of six housing developments (with 834 apartments), other independent residential units and parking spaces, and an office building. Such properties have an aggregate GAV of €409 million (€399 million corresponding to the six housing developments). The entailed merger was approved by the Board of Directors of the Company in May 2018, and by the general shareholders’ meeting of Coto in July 2018. The merger will take place after the Company’s admission to listing on MAB, following which Coto will integrate in Testa through a block transfer of its assets and liabilities.

Introduction to the Company’s strategy and asset portfolio

As of the date of this Informational Document, Testa is the largest residential rental SOCIMI in Spain. Testa’s strategy is based on the acquisition and management of residential assets located in metropolitan areas with the greatest growth potential. The management of the Company is carried out by a staff of more than 80 employees, which is led by a management team with an average experience of more than 16 years in the real estate sector.

Testa’s portfolio as of December 31, 2017 consists of 9,244 homes, 295 residential-linked retail units located in buildings where they have residential properties, an office building and a parking space in Plaza Castilla (in rotation). The market value of the portfolio as of December 31, 2017, according to the valuation report made by Savills Consultores Inmobiliarios, S.A. (hereinafter, “**Savills**”) amounts to approximately €2,276 million. Likewise, the annualized gross rental income of the portfolio, as of December 31, 2017, reached €72.3 million. It must be noted that the aforementioned values do not include the acquisition of the BuildingCenter portfolio, partially completed as of the date of this Informational Document, nor the termination of the surface right over the Campo de Tiro apartments, occurred in May 2018.

The table below shows certain key performance indicators of our premium and core markets by metropolitan area as of December 31, 2017:

Segment/Metropolitan Area	Total Portfolio					Residential Portfolio				
	GAV (€MM)	GAV (%)	GRI (€MM) ⁽¹⁾	GRI (%) ⁽¹⁾	Gross Yield (%) ⁽²⁾	No. Apartments	GAV (€/sqm) ⁽³⁾	In-place residential rent (€/sqm/month) ⁽⁴⁾	In-place residential rent (€/aptn/month) ⁽⁵⁾	Occupancy (%) ⁽⁶⁾
Premium and core markets										
Madrid ^{(7)(*)}	1,450	63.7	44.0	61.0	3.0	4,431	3,520	9.6	854	89
Madrid City ^(*)	1,264	55.6	37.5	52.0	3.0	3,538	3,817	10.1	896	90
Large Municipalities ^(*)	186	8.1	6.5	9.0	3.5	893	2,326	7.8	683	88
San Sebastián ^(**)	165	7.2	4.0	5.5	2.4	510	3,482	7.2	669	97
Barcelona ^(*)	94	4.1	2.9	4.0	3.1	319	3,553	10.3	831	90
Las Palmas de Gran Canaria ^(*)	67	2.9	2.5	3.5	3.8	455	1,468	5.3	468	96
Palma de Mallorca ^(*)	62	2.7	2.4	3.3	3.9	273	1,616	5.5	762	96
Valencia ^(**)	56	2.5	1.5	2.0	2.6	225	2,161	5.1	578	94
Toledo ^(**)	54	2.4	2.1	2.9	3.9	449	1,203	4.3	408	91
Pamplona ^(*)	46	2.0	2.1	2.9	4.5	401	1,271	5.0	453	96
Valladolid ^(**)	42	1.9	1.6	2.2	3.7	448	1,297	4.7	341	86
Oviedo ^(**)	35	1.5	0.9	1.2	2.7	217	1,727	5.1	493	75
Top 10 Markets	2,071	91.0	64.0	88.6	3.1	7,728	2,839	7.9	720	91
Other locations ⁽⁸⁾	84	3.7	2.6	3.6	3.0	499	1,816	5.4	490	87
Total premium and core markets	2,155	94.7	66.6	92.2	3.1	8,227	2,777	7.8	706	90
Non-core assets	121	5.3	5.7	7.8	4.7	1,017	1,042	5.4	467	82
Total portfolio	2,275	100.0	72.3	100.0	3.2	9,244	2,593	7.5	682	90

(*) Premium market; (**) Core market

- (1) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.
- (2) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12, over total GAV.
- (3) Residential GAV divided by residential GLA as of December 31, 2017. Residential GLA includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (4) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017 (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).
- (5) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over the number of rented apartments as of December 31, 2017.
- (6) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (7) Refers to the autonomous region of Madrid.
- (8) Includes Alicante, La Coruña, Vigo and Málaga.

The main factors that describe Testa's asset portfolio, as of December 31, 2017, are the following:

- **Size:** with an aggregate GAV of approximately €2.3 billion, a GRI of approximately €72.3 million and an aggregate GLA of 882 thousand square meters, Testa is the largest multi-family housing SOCIMI in Spain. This position is further strengthened by the acquisition of the BuildingCenter portfolio, comprising 1,458 homes, and by the acquisition of the six additional parking spaces of BuildingCenter. As of the date of this Informational Document, Testa has already acquired 1,450 of the 1,458 apartments that make up said portfolio, for a purchase price of 226 million euros.
- **Geographical Distribution:** Testa's portfolio is focused on the richest metropolitan areas of Spain, with favorable prospects in terms of population and GDP. Likewise, the Company has a very relevant presence in the Community of Madrid, where approximately 65% of the GAV of the portfolio is concentrated.

Additionally, the portfolio is located to a lesser extent in San Sebastian (7% of GAV), Barcelona (5% of GAV), Las Palmas de Gran Canaria (3% of GAV), Palma de Mallorca (3% of GAV) and other metropolitan areas of Spain such as Valencia (3% of GAV) and La Coruña (2% of GAV). In 2017, the average GDP per capita of five of the autonomous regions where Testa has a greater presence (Madrid, the Basque Country, Catalonia, the Canary Islands and the Balearic Islands) was €29,936, compared to the national average of €24,999 (source: INE). In addition, the expected 2016-2031 average household

growth of the autonomous regions where the Company is present, weighted by the distribution of its GAV, is between 124% and 159% of the Spanish expected average household growth in the coming years (source: Bank of Spain, INE).

- **Type of Property:** Testa's portfolio is mostly composed of multi-family residential properties in respect of which the Company owns the freehold. In particular, its residential portfolio and freehold properties represent approximately 95% and 93% of its portfolio in terms of GAV, respectively. In addition, properties contributing 83% of its GRI as of December 31, 2017, are not subject to any type of social housing regime or old rent (*renta antigua*) lease agreement. Moreover, approximately 84% of the Company's apartments are located in buildings in which they own the majority of the properties, with approximately 60% of their apartments being located in buildings which are entirely owned by the Company. The latter two features of the portfolio are key to the implementation of the Company's active property management practices and optimization of operating expenses.

The Company's apartments have an average size of approximately 91 square meters per apartment and approximately 70% have two or three rooms. The average monthly rent for the residential portfolio as of December 31, 2017 was approximately €682 and the occupancy rate was approximately 89.5%.

- **Asset Quality:** approximately 84% of the Company's apartments are less than 20 years old, which significantly reduces obsolescence risk and the level of maintenance expenses and capex, while allowing for stronger cash flow conversion.
- **Strong Reversionary Potential:** Testa believes that the current portfolio has potential for further repricing, providing room for earnings and margin expansion. Excluding residential properties subject to a social housing regime or old rent regime (*renta antigua*), our passing gross rent per square meter for our apartments was approximately €8 as of December 31, 2017, 25% lower than the market rental value (ERV) estimated by Savills in its valuation report (€9.9).

Structure of the Board of Directors and senior managers

As of the date of this Informational Document, the members of Testa's Board of Directors are:

- Mr. Ignacio Moreno Martínez (chairman and independent director)
- Mr. Miguel Oñate Rino (vice chairperson and proprietary director representing Merlin Properties SOCIMI, S.A.)
- Mr. Wolfgang Beck (chief executive officer)
- Mr. Javier Alarcó Canosa (independent director)
- Mr. Antonio Hernández Mancha (independent director)
- Ms. Azucena Viñuela Hernández^(*) (independent director)
- Mr. José María Xercavins Lluch (independent director)
- Finanzas y Cartera Uno, S.L.⁽¹⁾ (proprietary director representing Acciona Real Estate, S.A.)
- Altamira Santander Real Estate, S.A.⁽²⁾ (proprietary director representing Santander Entities: Banco Santander, S.A., LURI6, S.A.; LURI4, S.A. en liquidación; Altamira Santander Real Estate, S.A.; Banco Popular Español, S.A.; y Banco Pastor, S.A.U.)
- Mr. Carlos Manzano Cuesta (proprietary director representing Santander Entities: Banco Santander, S.A., LURI6, S.A.; LURI4, S.A. en liquidación; Altamira Santander Real Estate, S.A.; Banco Popular Español, S.A.; y Banco Pastor, S.A.U.)

- Mr. Cesáreo Rey-Baltar Oramas (proprietary director representing BBVA Entities: Banco Bilbao Vizcaya Argentaria, S.A., UNNIM Sociedad para la Gestión de Activos Inmobiliarios, S.A., y Anida Operaciones Singulares, S.A.)

(*) The registration of the appointment of Ms. Viñuela in the Commercial Registry is pending as of the date hereof.

(1) Finanzas y Cartera Uno, S.L. is represented by Ms. Isabel Antúnez Cid.

(2) Altamira Santander Real Estate, S.A. is represented by Mr. Jaime Rodríguez Andrade.

The non-Director Secretary of the Board of Directors is Mr. Lucas Osorio Iturmendi and the non-director Vice-secretary of the Board of Directors is Ms. Selina Neira Bustamante.

As of the date of this Informational Document, Testa's senior management team, headed by its Chief Executive Officer Mr. Wolfgang Beck, is composed by:

- Mr. Francisco Suárez Riobo (CFO)
- Mr. Javier Catena Gordo (COO)

Accounts auditor

The unaudited interim condensed consolidated financial statements of the Company as of and for the three-month period ended March 31, 2018 (the “**Unaudited Interim Condensed Consolidated Financial Statements**”); which have been subject to a limited review by Deloitte, S.L. and prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting.

The individual and consolidated financial statements as of and for the year ended December 31, 2017 of the Company have been audited by Deloitte, S.L. The individual financial statements for the year ended December 31, 2016 have also been audited by Deloitte, S.L.

Deloitte, S.L. was appointed as the Company's auditor on September 15, 2016, to audit years ended 2016, 2017 and 2018. Deloitte, S.L. has not resigned, been terminated or not re-elected as independent auditor of the Company, as of the date of this Informational Document.

Historical financial information

The only consolidated financial statements annexed to this Informational Document (see Annexes III and IV) are the Consolidated Financial Statements, which consist of (i) the Unaudited Interim Condensed Consolidated Financial Statements, and (ii) the audited consolidated financial statements as of and for the year ended December 31, 2017 (including comparative unaudited financial information as of and for the three months ended December 31, 2016). For additional information see “*Presentation of Financial and Other Information*”. Such information is not comparable from period to period due to the changes in the size and composition of Testa's portfolio, and in the case of the 2016 information included in the 2017 Consolidated Financial Statements, also due to the fact that such information only comprises the three-month period subsequent to the merger with the residential business unit of Metrovacesa.

Data in thousands of euros

ASSETS	For the three months ended March 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016
NON-CURRENT ASSETS			
Concession projects	155,588	156,343	159,376
Other intangible assets	225	99	34
Property, plant and equipment	254	70	-
Investment property	2,107,230	2,106,079	912,304
Non-current financial assets	9,694	9,812	7,401
Collection right, Service concession arrangement	4,224	4,738	3,587
Other financial assets	5,470	5,074	3,814
Deferred tax assets	11,084	11,083	296
Total non-current assets	2,284,075	2,283,486	1,079,411
CURRENT ASSETS			
Trade and other receivables	2,690	1,432	2,452
Investment in subsidiaries	-	-	203
Other current financial assets	-	3	24
Prepayments and accrued income	311	-	666
Cash and cash equivalents	57,990	71,158	28,801
Total current assets	60,991	72,593	32,146
TOTAL ASSETS	2,345,066	2,356,079	1,111,557

Data in thousands of euros

EQUITY AND LIABILITIES	For the three months ended March 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016
EQUITY			
Share capital	132,270	125,863	46,766
Issue premium	1,416,193	1,332,879	411,032
Reserves	(133,239)	(133,046)	192,295
Retained earnings	70,146	-	-
Prior-year losses	(1,754)	(1,754)	-
Profit/(loss) for the period attributable to the parent	(104,261)	70,146	24,781
Valuation adjustments	(306)	(336)	(489)
Equity attributable to the parent	1,379,049	1,393,752	674,385
Non-controlling interests	774	772	-
Total equity	1,379,823	1,394,524	674,385
NON-CURRENT LIABILITIES			
Provisions	320	320	1,410
Non-current liabilities	841,655	841,232	356,099
Non-current bank borrowings	470,067	470,545	347,911
Derivatives	102	120	940
Other non-current liabilities	371,486	370,567	7,248
Deferred tax liabilities	105,953	105,953	60,649
Total non-current liabilities	947,928	947,505	418,158
CURRENT LIABILITIES			
Provisions	-	1,019	1
Current liabilities	2,613	2,539	12,633
Current bank borrowings	2,613	2,539	12,633
Current payables to related parties	5,400	5,400	-
Trade and other payables	6,780	5,092	6,380
Payable to suppliers	651	3,168	4,321
Current tax liabilities	648	523	107
Other payables to public authorities	584	243	317
Other payables	4,897	1,158	1,635
Total current liabilities	17,315	14,050	19,014
TOTAL EQUITY AND LIABILITIES	2,345,066	2,356,079	1,111,557

Data in thousands of euros

	For the year ended December 31, 2017	For the year ended December 31, 2016
Revenue	52,943	9,586
Other operating income	141	3
Personnel expenses	(3,214)	(2,000)
Other operating expenses	(25,023)	(4,733)
Depreciation charge	(3,145)	(810)
Gains/(losses) from asset disposals	286	163
Changes in fair value in investment property	65,209	23,953
Operating profit/(loss)	87,197	26,162
Finance income	165	1
Financial expenses	(11,338)	(1,141)
Changes in fair value of financial instruments	(5,542)	–
Profit/(loss) before tax	70,482	25,022
Corporate income tax	(296)	(241)
Profit/(loss) for the period from continuing operations	70,186	24,781
Attributable to shareholders of the parent	70,146	24,781
Attributable to non-controlling interests	40	–
BASIC RESULT PER SHARE (in euros)	0,0076	0,0053
DILUTED RESULT PER SHARE (in euros)	0,0076	0,0053

In case the audit opinions contain qualifications, are adverse or negative, the reasons for this will be disclosed, as well as actions to resolve this and estimated schedule for it

With regard to the audit of the individual and consolidated financial statements for the year ended December 31, 2017, Deloitte, S.L. has issued an unqualified opinion. With regard to the audit of the individual financial statements for the year ended December 31, 2016, Deloitte, S.L. has issued an unqualified opinion.

Significant trends affecting the Issuer

Hereunder is the income statement included in the Unaudited Interim Condensed Consolidated Financial Statements, which has been included in Annexes III and IV of this Informational Document.

Data in thousands of euros

	For the three months ended March 31, 2018 (unaudited)	For the three months ended March 31, 2017 (unaudited)
Revenue	17,902	8,794
Other operating income	14	10
Personnel expenses	(1,341)	(729)
Other operating expenses	(117,071)	(5,383)
Depreciation charge	(807)	(682)
Provision surpluses	3	-
Gains/(losses) from asset disposals	-	233
Changes in fair value of investment property	-	-
Operating profit/(loss)	(101,300)	2,243
Finance income	-	-
Financial expenses	(2,078)	(1,506)
Changes in fair value of financial instruments	(756)	86
Profit/(loss) before tax	(104,134)	823
Corporate income tax	(125)	(162)
Profit/(loss) for the period from continuing operations	(104,259)	661
Attributable to shareholders of the parent	(104,261)	661
Attributable to non-controlling interests	2	-
BASIC RESULT PER SHARE (in euros)	-0,8256	-0,0081
DILUTED RESULT PER SHARE (in euros)	-0,8256	-0,0081

Other operating expenses amounted to €17,071 thousand in the three months ended March 31, 2018, and mainly consisted of the provision recorded in connection with the early termination of the Merlin services agreement dated October 20, 2018, regarding the advisory, planning and strategic management services by the latter to the Company. Said termination had effects from January 19, 2018, and the provision amounted to €107,244 thousand (see page 124 of the Informational Document).

Numerical forecasts or estimates

Not applicable.

Statement of working capital

The Board of Directors of the Company believes that, after carrying out the necessary analysis with due diligence, the Company has sufficient working capital to carry out its business during the 12 months following the date of admission to listing.

Securities

Information related to the shares

As of the date of this Informational Document, Testa's share capital is fully subscribed and paid. It amounts to €32,270,202, represented by 132,270,202 shares with a par value of €1 each, belonging all to a single class and series, with equal political and economic rights.

The shares of the Company are represented by book entries and registered in the corresponding accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (hereinafter, "**Iberclear**"), with registered office at Plaza Lealtad number 1, Madrid (28014), and its authorized participating entities (hereinafter, the "**Participating Entities**").

The shares of the Company are registered and are denominated in euros (€).

Shareholders' structure

As of the date of this Informational Document, the beneficial ownership of our ordinary shares is:

Beneficial Owner	Number of shares beneficially owned	%
<i>Santander Entities</i>⁽¹⁾	48,764,677	36.87%
Banco Santander, S.A.	17,331,791	13.10%
LURI6, S.A.	23,336,794	17.64%
LURI4, S.A. (en liquidación) ⁽²⁾	3,521,773	2.66%
Altamira Santander Real Estate, S.A.	690,319	0.52%
Banco Popular Español, S.A.	3,709,154	2.80%
Banco Pastor, S.A.U.	174,846	0.13%
<i>BBVA Entities</i>⁽³⁾	33,390,925	25.24%
Banco Bilbao Vizcaya Argentaria, S.A.	32,772,373	24.78%
UNNIM Sociedad para la Gestión de Activos Inmobiliarios, S.A.	203,973	0.15%
Anida Operaciones Singulares, S.A.	414,579	0.31%
<i>Merlin Properties, SOCIMI, S.A.</i>	22,420,089	16.95%
<i>Acciona Real Estate, S.A.</i>	26,454,040	20.00%
<i>Minority shareholders</i>⁽⁴⁾	626,698	0.47%
<i>Treasury shares</i>⁽⁵⁾	613,773	0.46%
TOTAL.....	132,270,202	100%

(1) Includes ordinary shares of the Company held directly by Banco Santander, S.A. and indirectly through the Santander Entities.

(2) We have been informed that it is expected that on or prior to July 31, 2018 LURI4, S.A. en liquidación will transfer its shares to Banco Santander, S.A.

(3) Includes ordinary shares of the Company held directly by Banco Bilbao Vizcaya Argentaria, S.A. and indirectly through the BBVA Entities.

(4) As of the date of this Informational Document there are approximately 1,500 minority shareholders.

(5) The Company has entered into a share purchase agreement with a minority shareholder affecting 9,854 shares; since the transfer of said shares to the Company can be effectuated until July 24, 2018, they are not reflected as treasury shares in the table above. However, this figure includes the 21,646 shares provided to the Liquidity Provider.

As of the date of this Informational Document, the only member of our Board of Directors or of our administrative, supervisory or management bodies with direct or indirect shareholdings in our share capital of or above 1% is Banco Santander through Altamira Santander Real Estate, S.A. (0.52%).

Information used to determine the reference price

Considering the equity valuation report of the Company as of December 31, 2017 issued by Gesvalt Sociedad de Tasación, S.A. on July 16, 2018, the Board of Directors of the Company held on July 16, 2018 has set a benchmark share price of €13.86 per share, which implies a total equity value of the Company of €1,833,264,999.72.

Risks

Before making any decision to invest in Testa's shares, the risks listed in the "Risk Factors" section of this Informational Document, among others, must be taken into account. These risks could affect the development of the business, the results, the estimates or the financial, economic or patrimonial situation of the Company. The main risks are the following:

1. The valuation report made by Savills and/or additional existing or future valuation reports could incorrectly assess the value of our properties.

The valuations in the Valuation Report were made as of December 31, 2017 and were based on assumptions and factors that may be incorrect or vary. As a result, the values assigned to the appraised properties in the Valuation Report could exceed the proceeds that we can generate from the sale of the appraised properties, and market values may decrease due to factors beyond the Company's control. The foregoing may materially affect the Company's financial performance.

2. *Investors in the Company will have limited financial information to assist them in evaluating the prospects of the Company and the related merits of an investment in the Shares.*

While the Company was incorporated in 2001, it acquired the majority of its assets during 2016 and 2017 and it also carried out various capital increases during that period. As a result, it has a limited operating history on which you can evaluate the business and the merits of an investment in the Shares. The financial statements included as an annex may not accurately reflect the income-generating potential of the Company's portfolio.

3. *In the preparation of the consolidated annual accounts, a series of estimates and assumptions, key performance indicators (KPIs) and alternative performance measures (APMs) have been used, which could be incorrect. Additionally, there is no assurance that the Company will achieve any of the targets or anticipated results set forth in this Informational Document.*

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of the accounting items. The Company also uses a number of estimates and assumptions to calculate the KPIs and APMs used to monitor the performance of its assets. While calculations of these figures are based on factors that are considered by management to be reasonable under the circumstances at the time, they could prove to be incorrect since they are subject to a number of uncertainties, many of which are beyond the Company's control.

4. *The Company's results of operations may be adversely affected by changes to accounting standards.*

The Company reports its results and financial position in accordance with IFRS. Changes to IFRS or interpretations thereof may cause the Company's future reported results to differ from current expectations. Currently, there are a number of issued but not yet effective IFRS changes, some of which could be expected to impact our results of operations and financial position in the future.

5. *It is expected that the Company will require significant levels of external financing to fund its liquidity needs going forward, and the Company may not be able to obtain financing on satisfactory terms or at all.*

The real estate sector in which the Company operates requires significant levels of upfront investment and the Company requires significant levels of investment to fund the growth of its business through the acquisition of real estate properties. Moreover, as a *SOCIMI*, the Company is subject to a mandatory dividend distribution policy. The Company's ability to obtain any required financing will depend on a variety of factors. All the foregoing may negatively affect the Company's estimates.

RISK FACTORS

Any investment in the Shares is subject to a number of risks. Prior to investing in the Shares, prospective investors should consider carefully the factors, uncertainties and risks associated with any investment in the Shares, the Group's business and the industry in which it operates, together with all other information contained in this Informational Document, including the risks described below.

The following risk factors address risks that we have identified as material to the Group and/or the value of the Shares. However, this is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to us, or that we currently deem immaterial, could also adversely affect the Group and/or the value of the Shares. If any or a combination of these risks and uncertainties actually occurs, our business, results of operations, financial condition and prospects could be adversely affected. The trading price of the Shares could decline due to any of these risks and investors may lose all or part of their investment in our Company.

The order in which the following risk factors are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effect on our business, results of operations, financial condition and prospects.

This Informational Document also contains forward-looking statements that involve risks and uncertainties, including statements regarding our target NRI margin, occupancy rate and annual acquisitions and our financial policies (including our LTV target). Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the Group described below and elsewhere in this Informational Document. See "Important Information—Forward-looking Statements". Except as may be required by applicable law and MAB regulation, we will not publicly update any forward-looking statements for any reason, even if any new information becomes available or other events occur in the future.

Except as otherwise indicated or unless context otherwise requires, references to (i) GAV (i.e., estimated gross asset value) are based on the market values reported in the Valuation Report, which is included herein as Annex I, and which contains valuations as of December 31, 2017; and (ii) references to GRI refer to our passing monthly gross rents, per the Group's lease agreements as of December 31, 2017, multiplied by 12. In addition, unless the context requires otherwise number of units and other references to our portfolio are as of March 31, 2018 and together with GAV and GRI are provided on a 100%-ownership basis with respect to Coto (as defined herein), in which we own a 99.65% interest. Coto owns properties with an aggregate GAV of €409 million (€399 million corresponding to its six housing developments). On April 26, 2018, our Board of Directors together with the Sole Director of Coto prepared and signed a joint merger plan for the absorption of Coto (proyecto común de fusión por absorción) in compliance with the provisions of article 30 of the Spanish Act 3/2009 on Structural Amendments of Private Companies (Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles). The entailed merger was approved by our Board of Directors on May 22, 2018 and is due to take place after the Listing pursuant to which Coto will be integrated into Testa by way of a block transfer of its assets and liabilities (for more information see "Business—History"). Furthermore, references to our apartments include (i) properties in respect of which we have surface rights for a defined period of time (see "—Our Portfolio—Portfolio in Detail—Key Legal Features of Portfolio—Ownership Regime"); (ii) 58 townhouses located in Aranjuez (Madrid); (iii) except as otherwise indicated, parking spaces and storage units rented together with our apartments (that form part of said apartments and are not counted as separate apartments) and (iv) includes the surface rights over our "Campo de Tiro" property composed of 80 apartments with an aggregate GAV of €0.2 million and an aggregate GRI of €0.6 million (see "Business—Portfolio Segmentation—Key Legal Features of Portfolio—Ownership Regime") that expired on May 22, 2018. However, such references do not include the BuildingCenter Portfolio (as defined herein) of which as of the date of this Informational Document, and after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments (of the total 1,458 apartments that comprise the BuildingCenter Portfolio) for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement (see "Business—BuildingCenter Portfolio") nor the Additional BuildingCenter Parking Spaces (see "Business—Additional BuildingCenter Parking Spaces").

Investors should carefully review the entire Informational Document and should reach their own views and decisions on the merits and risks of investing in the Shares. Furthermore, investors should consult their

financial, legal and tax advisors to carefully review the risks associated with an investment in the Shares.

Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Informational Document

The Valuation Report and/or additional existing or future valuation reports could incorrectly assess the value of our properties.

The Valuation Report contained in this Informational Document (see Annex I) was prepared by the independent appraiser Savills (as defined in “*Presentation of Financial and Other Information—Valuation*”) 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, 2017, is based on standard valuation principles and represents the opinions of Savills 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 assets is based on a multitude of factors, including market rent, exit yield, state of repair, reletting fees, void periods, 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.

In addition, the values assigned to the appraised properties in the Valuation Report and/or our already published or yet to be published financial information could exceed the proceeds that we can generate from the sale of the appraised properties. 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 properties or property portfolio.

Further, following the valuation date, the market value of the appraised properties 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, decline in demand, regulatory changes.

Moreover, the estimated market rental values (ERV) contained in the Valuation Report or any other present or future valuation or valuation report are subject to similar risks. Assumptions made to calculate the aggregate ERV of the properties indicated in the Valuation Report of approximately €97.9 million (€9.90 per square meter) include that the portfolio had an occupancy rate of 100%. Additionally, the Valuation Report includes an aggregate ERV of €88.1 million for our occupied properties as opposed to our current GRI of €72.3 million. Such assumptions and estimates may prove unrealistic or inaccurate. As a result, references to the repricing or reversionary potential of our portfolio included in this Informational Document may prove to be incorrect.

We intend to request a full valuation of all of our properties twice a year (as of June 30 and December 31). Such future valuations will be subject to the same risks and uncertainties

Additionally, the value of our real estate properties has a significant effect on our financial performance as any changes in the fair value of our portfolio are recognized as gains or losses on our income statement and can substantially affect our results of operations. A temporary or permanent drop in real estate values would lead to a decrease in our LTV ratio and may affect our ability to satisfy the financial covenants or other terms of our existing credit facilities, as well as any variable remuneration or incentive plan that we may establish for our managers that may directly or indirectly be linked to the evolution of our real estate values (such as our LTIP).

Based on the information provided in the Valuation Report, as of December 31, 2017 we performed a sensitivity analysis in our 2017 Consolidated Financial Statements to measure the impact a change in the main assumptions used in the Valuation Report could have on our financial condition, see “*Operating and Financial Review—Factors Affecting Our Financial Condition and Results of Operations—Property values and valuation*”. However, we cannot assure you that such sensitivity analysis is exhaustive or meaningful.

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.

Investors in our Company will have limited financial information to assist them in evaluating the prospects of our Company and the related merits of an investment in the Shares.

While we were incorporated in 2001, we acquired the majority of our assets during 2016 and 2017. See “—*Risks Relating to our Company—We have a limited track record operating a substantial portion of our portfolio*”. In particular, we have entered into the following significant transactions since 2016:

- (i) in October 2016, the residential business unit of Metrovacesa (comprising 3,157 apartments with an approximate aggregate GAV of €692 million) was contributed to our Company in exchange for 3,075,278,154 new shares of our Company. Immediately prior to such contribution, our GAV was €340 million. Metrovacesa’s residential business unit also included cash, certain staff, shares and units of subsidiaries, contracts and approximately €250 million of financial debt;
- (ii) in March 2017, Banco Santander and BBVA, among others, contributed 3,317 apartments with an approximate aggregate GAV of €660 million to our Company in exchange for 5,221,817,098 new shares of our Company;
- (iii) in late September 2017, the home rental business of Acciona (comprising 1,058 apartments with an approximate aggregate GAV of €417 million) was contributed to our Company in exchange for 2,645,404,051 new shares of our Company. Acciona’s home rental business also included €78 million of financial debt;
- (iv) in March 2018, we entered into the New Portfolio Purchase Agreement to acquire a portfolio of 1,458 apartments from BuildingCenter, S.A.U., the real estate subsidiary of CaixaBank, S.A., for an aggregate purchase price of approximately €227 million. The completion of the acquisition will be structured in parts (on a building or complex basis) through different closings that are expected to take place over the next few months once certain conditions precedent are fulfilled (primarily focused on the successful completion of certain administrative procedures and attaining the relevant administrative authorizations and licenses) (for additional information, see “*Business—BuildingCenter Portfolio*”). As of the date of this Informational Document, and after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments (of the total 1,458 apartments that comprise the BuildingCenter Portfolio) for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement (see “*Business—BuildingCenter Portfolio*”); and
- (v) in June 2018, we purchased from BuildingCenter, S.A.U., the real estate subsidiary of CaixaBank, S.A., the Additional BuildingCenter Parking Spaces for an aggregate purchase price of €24,356.58 (see “*Business—Additional BuildingCenter Parking Spaces*”).

Several of these transactions resulted in the issuance of ordinary shares as consideration for the acquired properties. See “*Description of Share Capital—General*” for information on how these transactions affected our share capital. See also “—*Risks Relating to Our Company— The acquisition of real estate involves risks that may not be avoided despite prior due diligence, in particular, in relation to bulk portfolio acquisitions*”.

As a result of the transactions referred to above, we have a limited operating history with our current assets and liabilities and limited representative consolidated historical financial information on which you can evaluate our business, financial condition, results of operations and prospects and the related merits of an investment in the Shares. In addition, taking into account the different points in time when our properties were acquired and the fact that many of such properties had lease agreements in place which terms were negotiated by their prior owners, the consolidated financial statements included as an annex to this Informational Document may not accurately reflect the income-generating potential of our portfolio or the magnitude of our future operating expenses and capital expenditures.

Furthermore, the only consolidated financial statements included as an annex to this Informational Document consist of (i) our unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2018 (including comparative unaudited financial information for the three months ended March 31, 2017) which have been subject to a limited review by Deloitte, S.L., and (ii) our audited consolidated financial statements as of and for the year ended December 31, 2017 (including comparative unaudited financial

information as of and for the three months ended December 31, 2016), and such information is not comparable from period to period due to the change in the size and composition of our portfolio. While we understand that the individual financial statements as of and for the year ended December 31, 2016 are not comparable, these financial statements have been audited by Deloitte, S.L., who have issued an unqualified opinion for the aforementioned individual financial statements which were prepared in accordance with the Spanish Accounting Plan approved by Royal Decree 1514/2007, of 16 November, and the amendments thereto introduced by Royal Decree 602/2016, of 2 December (“**Spanish GAAP**”) and will be publicly available as described in “*Additional Information—Documents on display*”. See “*Presentation of Financial and Other Information—Financial Information*”. Further, for the reasons stated above, such financial information may not be representative of our future operating results. See “*Operating and Financial Review—Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Changes in the size and composition of the properties in our portfolio*”.

Moreover, the financial information included as an annex to this Informational Document is not intended to comply with the reporting requirements of the U.S. Securities and Exchange Commission. Compliance with such requirements would generally require the presentation of pro forma financial information giving effect to certain of the transactions referred to above.

As a result of the above, prospective investors may not have sufficient historical information to accurately estimate the income-generating potential of our portfolio. This makes assessing our potential future operating results, and the related merits of an investment in the Shares, difficult. Investors should carefully consider the limitations of the historical financial information included as an annex to this Informational Document.

We use a number of estimates and assumptions in the preparation of our consolidated financial statements, KPIs and APMs, which could prove to be incorrect. In addition, there is no assurance that we will realize any targets or anticipated results set forth in this Informational Document.

The preparation of our consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. For example, these estimates and assumptions form the basis of our assessment of the market value of the net assets acquired in business combinations, the market value of the Group’s investment property and the fair value of certain financial instruments. For additional information, see Note 2.5 to our 2017 Consolidated Financial Statements and Note 2.5 to our Unaudited Interim Condensed Consolidated Financial Statements (each as defined herein). We also use a number of estimates and assumptions to calculate the key performance indicators and alternative performance measures we use to monitor the performance of our assets. See “*Operating and Financial Review—Alternative Performance Measures*” for information on how such alternative performance measures are calculated. While the estimates and associated assumptions we use are based on historical experience or various other factors that are considered by management to be reasonable under the circumstances at the time, they could prove to be incorrect.

Furthermore, we have included certain targets, anticipated results and other forward-looking statements in this Informational Document, including statements regarding our target NRI margin, occupancy rate and annual acquisitions and our financial policies (including our LTV target). Any targets, anticipated results 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 relate to factors that are outside our control, relate, among others, to the following:

- (i) general economic, demographic and political conditions in Spain;
- (ii) demand and supply in the residential real estate sector;
- (iii) our ability to identify and acquire additional properties that fit our business strategy at commercially reasonable prices;
- (iv) future operating costs and capital expenditures;
- (v) our ability to obtain the capital necessary to acquire new properties and make required periodic capital expenditures on a timely basis; and
- (vi) future laws and regulations that apply to our business.

While we believe the assumptions which underlie the targets, anticipated results 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, anticipated results or other forward-looking statements included in this Informational Document. Actual results may vary significantly from these targets, anticipated results and other forward-looking statements. Such targets, anticipated results and other 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, anticipated results and other forward-looking statements at the estimated dates set forth herein, or at all. See “*Important Information—Forward-looking Statements*”.

Our results of operations may be negatively affected by changes to accounting standards.

We report our results and financial position in accordance with IFRS. Changes to IFRS or interpretations thereof may cause our future reported results of operations and financial position to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. We monitor potential accounting changes and we determine the potential impact and disclose significant future changes in our financial statements. Currently, there are a number of issued but not yet effective IFRS changes, as well as potential IFRS changes, some of which could be expected to impact our results of operations and financial position in the future. For example, IFRS 9 (*Financial Instruments*), which is mandatorily effective for annual periods beginning on or after January 1, 2018, establishes that when the cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, an entity shall recalculate the gross carrying amount of the instrument and must recognize a modification gain or loss in profit or loss. In addition, among other standards, the Group is currently assessing the impact of the future application of IFRS 16—which will supersede the current IAS 17 and will be mandatory from January 1, 2019 onwards – on the consolidated financial statements. We cannot reasonably estimate the impact until this analysis is complete. One of the main changes introduced by IFRS 16 is that it includes a single accounting model for leases, including all leases in the statement of financial position (with certain limited exceptions) which are to be treated as if they were financed purchases, having a similar impact to the current impact of finance leases. The other main change after IFRS 16 becomes effective is the amendment to IAS 40, implying that our right-of-use assets operated under leases will be classified and measured as the rest of our investment properties. The impact of this amendment entails that concession projects will be classified under investments properties, that will result in an estimated increase in value of approximately € million. In relation to IFRS 15 and IFRS 9 we do not consider the impact of their application to be material.

The equity valuation used to set the reference price for the listing on the MAB and subsequent equity valuations could incorrectly assess the value of our shares.

Pursuant to MAB Circular 9/2017, we have engaged Gesvalt Sociedad de Tasación, S.A. (hereinafter, “**Gesvalt**”) as independent experts to perform an equity valuation of the Company as of December 31, 2017. A copy of the equity valuation report is attached as Annex V to this Informational Document. Although such independent experts carry out their valuations by applying standard objective market criteria, the equity valuation is inherently subjective and depends on certain assumptions.

In particular, Gesvalt has based its equity valuation on certain hypothesis and its own financial projections, as described in their equity valuation report. Such hypothesis and projections are, in turn, based on certain information and assumptions used in the Valuation Report prepared by Savills, which include, among others, estimations concerning the future admission to trading of our shares on the Spanish Stock Exchanges before 2022, the valuation of administrative concessions and hedge derivatives and costs projections with which the potential investors in our shares could disagree.

Therefore, such equity valuation must not be considered as an estimate of the market price that our shares may reach in the MAB. Insofar as certain information, hypothesis, projections or assumptions used by Gesvalt as independent experts may be incorrect or inaccurate, the valuations could be substantially incorrect and could need to be reconsidered.

Acciona may request the redemption of its shares if we failed to carry out the listing of our shares before September 21, 2022

Under the Shareholders' Agreement (as defined below) entered into between Banco Santander, BBVA, Acciona, Merlin Properties and us, Acciona may request that we acquire and redeem its shares and that we return to Acciona, in exchange, an amount equivalent to our NAV multiplied by Acciona's stake in our share capital at the time of redeeming its shares if we failed to carry out the listing of our shares before September 21, 2022. Should Acciona exercise this right, we would be obliged to return to Acciona either all the assets that it contributed to the Company in 2017, provided these assets are still owned by us, or an equivalent amount in cash, which could negatively affect our business, results of operations, financial condition and prospects. Such commitment was recognized in our financial statements as a financial liability for a total amount of €355,565 thousand. However, our estimation may be incorrect and the amount payable to Acciona could be higher than expected. Moreover, to safeguard the return in kind, we committed not to dispose of some of our assets, including some Coto assets, without Acciona's prior consent, which may limit our ability to manage our portfolio in a profitable manner. See *"Significant Shareholders—Shareholders' agreement"*.

Risks Relating to Our Company

We expect to require significant levels of external finance to fund our liquidity needs going forward and we may not be able to obtain financing on satisfactory terms or at all.

The real estate sector in which we operate requires significant levels of upfront investment and we require significant levels of investment to fund the growth of our business through the acquisition of real estate properties. As part of our acquisition strategy, we seek to acquire between 1,000 and 2,000 apartments per year. As of the date of this Informational Document, we have a sizeable investment pipeline exclusively based on multi-family residential properties with an estimated aggregate GAV of approximately €39 million (representing approximately 2,959 apartments). See *"Business—Business Operations—Portfolio Management—Pipeline"*. Other activities within the real estate value chain, such as the modernization of our properties, also require a significant amount of indebtedness. In addition, we rely on external funding to service our indebtedness and other obligations. See *"Operating and Financial Review—Liquidity and Capital Resources"*.

Moreover, as a SOCIMI, we are subject to a mandatory dividend distribution policy (see *"Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Mandatory dividend distribution"*) and additionally target a dividend policy of around 80% of our FFO1 (as defined in *"Operating and Financial Review—Key Performance Measures not Defined by IFRS-EU"*) in a given year, as a result of which it is unlikely that we will be able to retain substantial cash balances that could be used to meet our liquidity needs from our annual taxable income. This dividend distribution policy may, in turn, both increase our dependence on external funding and result in the imposition of additional onerous conditions to obtain financing compared to our non-SOCIMI competitors which are not subject to similar mandatory dividend requirements. Moreover, while we utilize debt to finance our cash needs and the growth of our business, our expected target LTV of 35% will restrict our capacity to resort to corporate debt issues or non-recourse debt to manage our funding.

Furthermore, our ability to obtain any required financing will depend on a variety of factors such as market conditions, the general availability of credit, the overall availability of credit to the real estate industry, our credit ratings and credit capacity, as well as the perception of lenders regarding our long or short-term financial prospects. In particular, our ability to incur new debt or extend existing loans may also be affected by the level of our then-outstanding indebtedness. See *"—We face potential risks related to our indebtedness, such as refinancing risk"*.

Additionally, the SOCIMI Regime enables us to reinvest up to 50% of the profits derived from the transfer of real estate properties, provided that the transfer has been executed once the minimum holding period has elapsed (see *"Spanish SOCIMI Regime and Taxation Information—Qualification as Spanish SOCIMI—Mandatory dividend distribution"*). In particular, we have a short-to-medium term asset rotation strategy to dispose of assets in locations with low growth and development potential, taking advantage of the cycle upswing. For the long-term, our strategy is to selectively sell certain of our assets in good locations once they reach their expected peak capital appreciation level.

If we were not able to obtain financing to operate our business, fund potential investments or service our indebtedness and other obligations, or if we were only able to obtain financing on onerous terms, our business, results of operations, financial condition and prospects could be adversely affected.

We may not be successful in maintaining and increasing our earnings from rentals, including as a result of

our failure to retain our tenants or our inability to charge economically reasonable rents.

Our commercial success significantly depends on our ability to maintain and increase our earnings from rentals and our margins deriving from rental activities. As a result, our performance outcomes depend largely on the amount of rental income generated and the expenses we incur in generating such rents. Our rental income is impacted predominantly by rents charged and occupancy levels, which depend in turn on several factors. These factors include the demand for housing, the local market rent, legal requirements or restrictions applicable to leases or the eviction of defaulting tenants, the condition and location of our properties, the modernization measures undertaken and their scope, the creditworthiness of our tenants and tenant turnover, any of which may individually or in the aggregate result, not only in an inability to increase our rental income, but also in a reduction of in-place rents. Damage to our reputation and reduced tenant satisfaction may also result in reduced demand for our properties, loss of tenants and a decrease in our rental income. See “—*Risks Relating to Our Company—We are subject to reputational risk*”. While based on the terms and rate at which our in-place rents have been repriced over the six months period beginning on October 1, 2017 and ending on March 31, 2018, we would expect to reprice approximately one third of our lease agreements in the course of one year with an average rental increase of over 15% above the former in-place rents, we cannot guarantee that we will be able to increase rents at such or any other pace and rate or that rents will not decrease.

If we fail to adequately manage our residential rental portfolio, including if we are unable to retain our current tenants due to the non-renewal of their lease agreements upon expiry or if we fail to timely find new suitable tenants, there is a risk that our properties will become vacant, resulting in a decrease in our revenues. See “—*A property that incurs a significant vacancy could be difficult to sell or lease*” below. In addition, even if we enter into new lease agreements with our existing tenants or new tenants, we cannot assure that leases will be renewed or that our properties will be re-let at rents equal to or above our current average in-place rent or that substantial rent abatements, tenant improvements, early termination rights or below-market renewal options will not be offered to attract new tenants or retain existing tenants. Attempts by our tenants to negotiate lower rents may result in a decrease in our revenues. Low demand for our properties could also force us to lease them to tenants who pose a greater risk of rent losses due to their inferior creditworthiness. Moreover, if major renovation is required to re-let our properties, we may be forced to incur significant and unexpected capital expenditures and to slow down the re-letting process.

The term of our lease agreements is generally one year with automatic extensions for up to two times for a period of one year each time (unless prior written notice of termination is served by the tenant), and upon termination, the parties may freely agree to enter into a renewed lease agreement. In such case, the rent is generally revised per prevailing market conditions. While tenants stay on our properties for an average of 4.48 years (as of December 31, 2017), we cannot guarantee this will be the case in the future. Under the Spanish Lease Act (see “*Certain terms and conventions*”), residential tenants may terminate their lease after the first six months of their lease have elapsed, provided that the required prior written notice is provided to the landlord. While any such tenant may be required to pay a penalty of one month’s rent for each year remaining until the termination date specified in the lease (or a proportional part thereof, if the time remaining until such termination date is less than one year), the legal ability of tenants to terminate a lease after only six months of its commencement allows for significant tenant rotation.

In addition, legal restrictions on rent increases are key factors affecting our rental income. Our lease agreements, which generally provide for a one-year term and up to two one-year automatic renewals unless a prior written notice is served by the tenant indicating otherwise, limit our ability to increase rent rates, with such rates being annually updated upwards or downwards in accordance with the general consumer price index (“CPI”). In this regard, at year end 2017, the Spanish inflation rate stood at 2.0% (compared to 1.7% of the EU-28 member states, and the IMF estimates that inflation in Spain will be 1.7% for 2018 and 1.6% for 2019). Furthermore, we are subject to particularly stringent legal restrictions with respect to those of our properties which are subject to a social housing regime (representing 12.8% of our GAV and 16.1% of our GRI as of December 31, 2017) or in respect of which lease agreements were entered into prior to 1995 (representing less than 0.1% of our GRI as of December 31, 2017). For additional information, see “*Business—Our Portfolio—Portfolio in Detail—Key Legal Features of Portfolio*”. As a result of these legal restrictions, we might not always be able to fix or increase rent in a manner or to the extent that would be in our economic interest to do so. It is also possible that we may cease to be able to pass part or all of the expenses incurred in connection with a leased property which we currently pass on to tenants (or which we currently are able to pass on to tenants), including as a result of restrictions imposed by the Spanish landlord-tenant laws, prevailing market conditions, the inability or reluctance of certain tenants to assume such expenses or otherwise.

In particular, under the Spanish Lease Act, the landlord shall carry out any repairs necessary to maintain a residential property in habitable conditions, without having any right to increase the rent as a result thereof (except where any such repairs become necessary owing to damages that are attributable to the tenant).

Our ability to pass on any expenses to tenants is particularly limited with respect to properties which are subject to a social housing regime or in respect of which lease agreements were entered into prior to 1995. Furthermore, our ability to increase the amount of expenses which are passed on to tenants is typically at odds with our ability to increase in-place rents, as it is difficult to increase the amount or type of expenses that are passed on to tenants in respect of lease agreements which have recently experienced increases in rents and vice versa.

Moreover, most of the expenses associated with our business, such as acquisition costs, repair and maintenance costs, community association charges (*gastos de comunidad*), real estate taxes, insurance, utilities, employee wages and benefits and other general corporate expenses, are relatively inflexible and will not necessarily decrease with a reduction in revenue from our business. Some components of our fixed assets depreciate more rapidly and will require a significant amount of ongoing capital expenditures. Our expenses and ongoing capital expenditures will also be affected by any inflationary increases, and certain of our cost increases may exceed the rate of inflation in any given period. If rental revenues from a property were not to increase proportionally with the associated costs, our margins could be materially adversely affected.

All of these factors, individually or collectively, could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have a limited track record operating a substantial portion of our portfolio.

While we were incorporated in 2001, we acquired the majority of our properties during 2016 and 2017. Additionally, as of the date of this Informational Document, after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments of the BuildingCenter Portfolio for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement (see “*Business—BuildingCenter Portfolio*”) and in June 2018 we purchased the Additional BuildingCenter Parking Spaces (see “*Business—Additional BuildingCenter Parking Spaces*”). Our GAV has exponentially increased from approximately €340 million in mid-October 2016 to approximately €2.3 billion as of December 31, 2017. See “*Business—History*”. We therefore have a very limited operating history with a substantial portion of our current portfolio on which to base an evaluation of our business and financial performance and it may be difficult to evaluate our future prospects. See “—*Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Informational Document —Investors in our Company will have limited financial information to assist them in evaluating the prospects of our Company and the related merits of an investment in the Shares*”. Moreover, we may not be able to realize anticipated synergies or other anticipated benefits of the integration of any recently acquired properties.

Our prospects must be considered in light of the increased risk, expenses and difficulties frequently encountered by companies that have recently undergone significant changes in the scale of their business. Risks and challenges that may result from our recent significant acquisitions include:

- (i) the existence of hidden or unknown liabilities relating to recently acquired properties (see “—*The acquisition of real estate involves risks that may not be avoided despite prior due diligence, in particular, in relation to bulk portfolio acquisitions*”);
- (ii) our ability to timely assess the value, strengths and weaknesses of such properties and, therefore, to determine the best asset management approach with respect to them;
- (iii) our ability to fully integrate and effectively manage a significant number of properties which have been either undermanaged or managed under criteria that differs from ours and among such properties, with in-place leases not being in line with our standard lease terms and tenants possibly not satisfying our target tenant profile; and
- (iv) our ability to manage a growing portfolio without over-committing our management or staff. In particular, the significant demands on the attention of our management and staff arising from the integration of our acquisitions could result in other areas of our business not receiving the attention they require.

It cannot be assured that we will be successful in addressing the risks and challenges we may encounter, and our failure to do so could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our core management team has a limited history within our Company.

Our success is expected to be largely dependent upon our management team and certain key personnel, part of which has a limited history within our Company. Both our CEO, Wolfgang Beck, and our COO, Javier Catena, joined our Company in January 2018. In addition, Francisco Suárez, is our CFO since 2013. Companies that implement significant changes in their management teams can face more challenging risks and unexpected difficulties, especially in a rapidly evolving business such as the Spanish real estate market. Any failure by the management team to successfully implement our business strategy could have a material adverse effect on our business, results of operations, financial condition and prospects.

We face potential risks related to our indebtedness, such as refinancing risk.

As of March 31, 2018, our gross financial debt was approximately €475 million and our net financial debt was approximately €415 million. Part of our debt is secured by mortgages on our properties. Additionally, to finance the acquisition of the BuildingCenter Portfolio we entered into two additional mortgage loans for an aggregate amount of approximately €230 million (see “*Business—BuildingCenter Portfolio*”). Of our gross financial debt as of March 31, 2018, approximately €431 million will mature in 2022 (this is approximately 91% of our gross financial debt as of such date). We expect to refinance our debt through the offering of debt securities and/or ordinary shares, borrowings or a combination thereof but such refinancing is exposed to the risks we describe below. Furthermore, as of the date of this Informational Document, we have significant cash resources of c.€8 million and undrawn committed credit facilities totaling €100 million that could be used in the financing of said acquisitions. Additionally, any financial agreements we may enter into in the future may be subject to certain restrictive covenants such as the requirement that the Company complies with certain financial ratios (including LTV, interest coverage and unencumbered ratios) and such covenants may be more stringent than the ones included in our current financial agreements. As a result of our indebtedness, we are subject to the risks normally associated with debt financing, including the risk that the cash flow from operations is insufficient to meet our debt service requirements.

In this regard, in order to service our debt, we need to achieve positive cash flow from our business operations and investments. We generate such cash flow mainly from rent. If we are unable to generate positive cash flow from our business operations in the future, for example, as a result of insolvency or illiquidity of our tenants which results in their default on their rental commitments, we could be forced, within certain time frames, to sell properties irrespective of the market situation and possibly on terms unfavourable to us or in contravention of the minimum holding period mandated by the SOCIMI Regime, delay capital expenditures, restructure or refinance all or part of our existing debt, seek additional equity capital, or borrow money on financially unattractive terms. If we failed to implement these measures and were unable to make payments on our debt as they become due, we could default on our obligations under the relevant financing agreements, which could in turn trigger cross-default and cross-acceleration provisions in other financing agreements. Furthermore, if we fail to make payments on our mortgage loans when due, our creditors could dispose of the collateral we furnished to secure such loans. Any of these factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

Moreover, the level of our indebtedness (with an LTV ratio of 18.2% as of March 31, 2018) may make it more difficult for us to borrow more money in the future, or necessitate borrowing at a higher cost, reduce the amount of money available to us to finance our operations and other business activities, expose us to the risk of increased interest rates, make us more vulnerable to general economic downturns and adverse industry conditions and reduce our flexibility in planning for or responding to changing business and economic conditions.

In addition, our financing agreements contain customary provisions and covenants requiring us to provide certain information to the lenders, setting forth certain restrictions on our operations, as well as requiring us to maintain certain financial ratios. See “*Operating and Financial Review—Liquidity and Capital Resources—Borrowings and Other Financing Arrangements*”. If we were to fail to comply with one of these provisions or covenants, it could result in an event of default and acceleration of the relevant indebtedness, which in turn could trigger cross-default or cross-acceleration provisions in our other agreements.

Any of the foregoing could have a material adverse effect on our business, results of operations, financial

condition and prospects.

We face certain risks related to fluctuations of interest rates.

We are exposed to interest rate risk arising from our bank borrowings, part of which are based on variable interest rates. Interest rates are sensitive to different factors beyond our control, including central bank's policies and international and domestic economic and political conditions. See “—*Risks Relating to Macroeconomic, Demographic and Political Factors—The current economic environment is characterized by low interest rates and any rise in interest rates could have material adverse effects on the Spanish real estate market and on us*”. Any increase to these rates could have a material adverse effect on our ability to service our debt and, in particular, it could require us to use a greater proportion of our revenues to pay interest expenses on our floating rate debt. As of March 31, 2018 the average interest rate of our debt was 1.53% (based on the weighted average of interest rates of our secured and unsecured debt plus financial derivatives interest rates). To limit our exposure to this risk, we have entered into certain cash-flow hedging instruments such as interest rates swaps. As of March 31, 2018, 71% of our total debt had fixed interest rates.

While we have been able to enter into such hedging transactions in the past, no assurances can be given that we may be able to do so on favorable terms or at all in the future. Likewise, there can be no assurance that counterparties to hedging agreements will always perform their obligations under such arrangements or that our hedging counterparties will not default. In addition, we could also sustain losses from hedging transactions.

To the extent we are unable to effectively hedge our exposure to fluctuations in interest rates, such fluctuations could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our operations are concentrated in certain regions of Spain and an investment in the Shares may be subject to greater risk than investments in other companies that have more geographically diversified portfolios or business strategies.

All of our business activity is currently concentrated in Spain, and in particular in the autonomous region (*comunidad autónoma*) of Madrid, with approximately 65% of our portfolio in terms of GAV and approximately 66% of our GRI as of December 31, 2017 (calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12) located there, and to a lesser extent, San Sebastián, Barcelona, Las Palmas de Gran Canaria, Palma de Mallorca and other metropolitan areas of Spain. In particular, our top 10 properties represent approximately 46.2% of our GAV and 41.6% of our GRI.

For additional information on the geographic distribution of our portfolio, see “*Business—Our Portfolio—Portfolio in Detail—Geographic Distribution of Portfolio*”, and for information on the geographic distribution of the portfolio which, subject to the conditions precedent set forth therein, we have agreed to acquire under the New Portfolio Purchase Agreement, see “*Business—BuildingCenter Portfolio*”.

Our operations in Spain accounted for 100% of our total revenues for the three months ended March 31, 2018 and the year ended December 31, 2017. Further, within the Spanish real estate market, our operations are concentrated in the multi-family residential rental market, with residential properties (including apartments, storage units, residential-linked retail units and parking spaces located in multi-family buildings) accounting for approximately 95% of our total GAV and 93% of our GRI. An investment in the Shares may therefore be subject to greater risk than investments in other companies that have more geographically diversified portfolios or business strategies.

As a result of this concentration, any adverse economic or other demographic or social factors generally affecting Spain or the regions where we operate, such as shrinking and aging population, social trends towards bigger household sizes or increased long-term unemployment rates, may have a material adverse effect on our business, results of operations, financial condition and prospects. See “—*Risks Relating to Macroeconomic, Demographic and Political Factors*”. Further, any adverse developments specifically affecting the residential rental market in Spain or in such regions, for example, as a result of a change favoring the acquisition versus rental of residential properties or otherwise, may also have a material adverse effect on our business, results of operations, financial condition and prospects.

Moreover, because regional markets within Spain do not develop uniformly, our dependence on only a few regional markets, especially Madrid, can adversely affect our performance in the event of a decline in the attractiveness of the markets where we operate. Negative developments in Madrid, such as adverse changes in

the cost of living affordability, an economic downturn, increased perceived levels of environmental or noise pollution, political instability or changes in housing policies could result in our inability to rent or sell our properties and could have a material adverse effect on our business, results of operations, financial condition and prospects.

Certain of our properties are subject to social housing regimes and certain of our properties have lease agreements that were entered into prior to 1995 that, in each case, restrict our ability to freely manage the related properties.

We are subject to limitations imposed by the respective social housing regimes to which certain of our properties are subject. Certain of our properties, with an aggregate GAV of €293 million (representing approximately 12.9% of our GAV and 16.0% of our GRI), are subject to some type of social housing regime, which terms (including expiration dates) vary in part based on the autonomous region (*comunidad autónoma*) in which they are located. These properties include residential social housing buildings in respect of which we hold surface rights for a defined period of time (representing €169 million of GAV in the aggregate, 7.4% of our total GAV and 9.0% of our GRI). See “*Business—Our Portfolio—Portfolio in Detail—Key Legal Features of Portfolio*”.

Under the terms of these regimes, we are not able to freely amend in-place rents and we are subject to restrictions regarding the passing on of costs to tenants, the deposits and guarantees that may be requested from them and the disposal of the affected properties. In addition, the relevant autonomous region (*comunidad autónoma*) may seek to change or mandatorily require the inclusion of terms that are applicable to one or more social housing projects so that they are more restrictive to the landlord. Further, with respect to the buildings in respect of which we own surface rights, our surface rights have an expiration date, after which our surface rights will expire and the right to operate the buildings built on the land will revert to the relevant regional governments for no additional consideration. In particular, our surface rights relate to five social housing regime projects, with our rights in respect of two of them expiring in 2018 (with the related properties having an aggregate GAV of approximately €0.4 million and a GRI of approximately €1 million) and our rights in respect of the other three expiring in 2020 (€2 million of GAV and a GRI of €0.9 million), 2023 (€2 million of GAV and a GRI of €0.6 million) and 2069 (€165 million of GAV and a GRI of €4.0 million), respectively. In addition, we are generally not able to transfer to third parties or otherwise dispose of our surface rights without the prior consent of the relevant public administration. Further, our surface rights could generally be subject to early termination in certain scenarios such as an uncured breach of our obligations thereunder or on the grounds of public utility or social interest.

Furthermore, tenants eligible for social housing tend not to have the creditworthiness of our target tenant base and therefore pose a greater risk of rent losses and may be more likely to breach other lease obligations. See “*We depend on our tenants and their willingness and ability to meet their lease obligations and renew their leases for substantially all of our revenues and are exposed to the risk of insolvency or illiquidity of our tenants*”.

Additionally, some of our currently outstanding lease agreements relating to 142 residential properties less than 0.1% of our GRI as of December 31, 2017, were entered into before the Spanish Lease Act became effective on January 1, 1995. As a result, such leases are subject to the strongly pro-tenant regime set forth by Royal Decree 4104/1964, of December 24, on urban leases, the main characteristic of which is the compulsory lease extension regime (*prórroga forzosa*) in favour of the tenant. Royal Decree Law 2/1985, of April 30, on economic policy measures, intended to liberalize the lease market by, among others, eliminating the compulsory lease extension regime (*prórroga forzosa*) set forth in Royal Decree 4104/1964. However, it was not uncommon that lease agreements entered into after the enforcement of such Royal Decree Law 2/1985 still included the compulsory lease extension (*prórroga forzosa*) set forth in Royal Decree 4104/1964. Both Royal Decree 4104/1964 and Royal Decree Law 2/1985 were subsequently amended by the Transitory Provisions of the Spanish Lease Act.

In the context of such a complex legal scenario, depending on the time in which our older lease agreements were entered into, they may be subject to a compulsory lease extension regime (*prórroga forzosa*), pursuant to which the term of the lease may be unlimitedly extended at the option of the tenant. In addition, these lease agreements generally provide for rents that are significantly below market levels and our ability to increase in-place rents and to pass on costs to tenants under such agreements is very limited. Furthermore, upon decease of a tenant, certain family members of the tenant may take over the lease on the same terms, provided certain requirements are met. If we were to dispose of any of these properties, the existence of these rights for unlimited lease extension and family subrogation (or subrogation of persons in an analogous situation) would likely adversely affect the value at which we could dispose of them.

All of these factors, individually or collectively, could have a material adverse effect on our business, results of operations, financial condition and prospects.

The acquisition of real estate involves risks that may not be avoided despite prior due diligence, in particular, in relation to bulk portfolio acquisitions.

Properties we have acquired in the past or that we may acquire in the future may have hidden material defects that are not apparent at the time of acquisition. It is possible that damage or quality defects remain undiscovered entirely, or that the scope of such problems is not fully apparent in the course of a due diligence investigation, and/or that defects become apparent only at a later time following the acquisition.

While we typically perform due diligence in respect of a proposed investment prior to entering into an agreement to directly or indirectly acquire any property, depending on the size of the transaction, we may rely on third parties to conduct a significant portion of this due diligence (which may include technical, financial, tax and legal analysis and property valuation). We or any third parties on which we may rely 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. This risk is even higher when we acquire properties in respect of which we are only able to conduct limited due diligence, which is normally the case.

Although previous owners typically make various warranties in the relevant purchase or contribution agreements that we enter into in connection with property acquisitions, it is possible that these warranties do not cover all risks or that they fail to cover such risks sufficiently. Additionally, a warranty made by a previous owner may be unenforceable due to its insolvency or for other reasons. In some cases, a previous owner may make no representation or warranty as to the sufficiency and correctness of the information that is made available in the context of a due diligence investigation, or as to whether such information remains correct during the period between the conclusion of the due diligence investigation and the closing of the relevant acquisition. Accordingly, such risks can arise despite a thorough due diligence investigation, and they could have a material adverse effect on our business, results of operations, financial condition and prospects.

In particular, we have acquired and intend to continue to acquire properties in bulk, and we may be subject to additional risks in connection with such acquisitions. Throughout 2016 and 2017 we have received significant property contributions from certain of our shareholders and have made other portfolio acquisitions (see “*Business—History*”) and there can be no assurance that the due diligence processes undertaken revealed all relevant facts and risks associated with such properties, the full extent of such risks or that the information provided during the due diligence processes on which we relied was complete, adequate or accurate. See also “*—We could incorrectly estimate the value of acquired properties*”.

When we acquire properties in bulk, we often do not have the opportunity to conduct interior inspections or conduct more than cursory exterior inspections on a portion of the properties. Such inspection processes may fail to reveal major defects associated with such properties, which may cause the amount of time and cost required to renovate and/or maintain such properties to substantially exceed our estimates. In addition, we conduct legal due diligence (including analysis of ownership titles, legality of development and construction, permitted use, easements and encumbrances and in-place lease agreements) with respect to a portion of the properties only. As a result, we may incur unexpected liabilities, charges or encumbrances, such as defects in title or an inability to use the property as intended, which substantially exceed our estimates. Moreover, financial and other information provided to us regarding such bulk portfolios during our due diligence may be inaccurate and, while we may typically seek remedy against the prior owners (except where we have validly waived such right or such right is subject to limitations and exceptions), we may not discover such inaccuracies until it is too late to seek said remedies. To the extent we timely pursue such remedies, we may not be able to successfully prevail against the prior owner in an action seeking damages for such inaccuracies. Furthermore, to the extent the management and leasing of such properties has not been consistent with our property management and leasing standards, we may be subject to a variety of risks, including risks relating to the condition of the properties, the credit quality and employment stability of the tenants and compliance with applicable laws, among others.

Additionally, a seller or owner may require that a group of properties be acquired as a package even though we may not want to acquire certain individual properties in the portfolio. Although we believe that the portfolio

contributed to us by Acciona in September 2017 is of high quality, we were not able to make changes to the composition of such portfolio. Even if we conclude that certain properties acquired in bulk portfolios do not fit our business strategy, our ability to dispose of such properties may be restricted by the three-year minimum holding period mandated by the SOCIMI Regime (see “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Minimum holding period*”). In addition, selling such properties could take an extended period of time and may not result in a sale at an attractive price. Furthermore, when acquiring a bulk portfolio a seller or owner may require that we assume the property risks attached to said portfolio prior to its acquisition by us (normally as of the signing of the relevant acquisition contract), which may expose us to additional risks prior to our entry into management of the properties under the acquired portfolio such as in the New Portfolio Purchase Agreement (see “*Business—BuildingCenter Portfolio*”).

As a result of the above risks, the value of any properties that we have acquired or may acquire in the future and, in particular, properties acquired in bulk (including under the New Portfolio Purchase Agreement), could be lower than we anticipated at the time of acquisition, and/or such properties could require substantial and unanticipated renovations prior to their conversion into rental properties, any of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We could incorrectly estimate the value of acquired properties.

Prior to any acquisition, we carry out an examination and evaluation of the properties to be acquired. In this respect, we set a yield target, taking into account the need for required maintenance, refurbishment or modernization measures and the revaluation potential of the properties to be acquired. We carry out such work with the objective of optimizing the performance of such properties to make it possible for us, for example, to achieve higher rents and thereby increase the yields on such properties. In this sense, our success will depend significantly on our ability to assess the value of the properties, which is made on the basis of certain assumptions.

The assumptions made in connection with the acquisition of properties, particularly with respect to anticipated rent could subsequently turn out to be incorrect, in whole or in part, because of many factors that can affect the realization of these assumptions and because of the individual nature of each property. In addition, valuation methods used could subsequently turn out to have been unsuitable. Accordingly, there is a risk that the acquired properties achieve less than the yield targets due to inaccurate projections and assumptions. Moreover, it could subsequently become more difficult to lease or sell a property, the market rent at that location could develop unfavorably, and there could be vacancies and vacancy income shortfall. In addition, various factors that affect the market rent that can be charged in a particular market make it difficult to project future rent, so that the rent projected in connection with the acquisition of properties can develop differently than planned.

Erroneous valuations in connection with the acquisition of properties and other unforeseeable events could result in us being unable to achieve our projected yields and could have a material adverse effect on our business, results of operations, financial condition and prospects.

The termination of the Merlin Services Agreement may adversely affect us, including as a result of our current dependence on Merlin Properties’ IT platform.

From October 20, 2016 to January 19, 2018, Merlin Properties provided us with certain strategy advisory, planning and management services under the Merlin Services Agreement, with Merlin Properties playing a decisive role in the design and implementation of our business strategy. See “*Related Party Transactions—Transactions with the Significant Shareholders—Transactions with Merlin Properties—Merlin Services Agreement*”. Under the Merlin Services Agreement, Merlin Properties undertook to provide us advisory, planning and strategic management services in connection with our residential assets, with the aim of increasing their value in the long run.

Merlin Properties, in consideration for such services, was entitled to receive an annual amount of €7,700,000, VAT excluded, to be increased by 1.5% annually. The initial term of the Merlin Services Agreement was 30 years; however, both Merlin Properties and we were expressly allowed to early terminate the Agreement upon the occurrence of certain events. Pursuant to Acciona’s right to request the termination of the Merlin Services Agreement under the Acciona Investment Agreement, on January 3, 2018, we served a termination notice of the Merlin Services Agreement to Merlin Properties. The termination was effective as of January 19, 2018 and entailed the payment of (i) the unpaid and accrued fees for the services provided by Merlin Properties as of January 19, 2018, amounting to €2,220,088.71, plus VAT; and (ii) a penalty for early terminating the Merlin

Services Agreement, which we chose to pay in newly issued ordinary shares, amounting to 640,693,342 newly issued ordinary shares, with a par value of €0.01 and a premium of €0.130037800013383 each, for a total amount of €89,721,286.09, plus VAT (amounting to €18,841,470.08) with the VAT amount being paid in cash.

We may be unable to internalize or outsource services provided by Merlin Properties on terms and conditions as favorable as those we received from Merlin Properties in a timely manner or at all. In addition, as a result of the termination of the Merlin Services Agreement and our close association with Merlin Properties, we may have less leverage when negotiating arrangements with third parties (in particular, with financial institutions) or we may otherwise forfeit some of the benefits of being closely related to Merlin Properties (which relation may have positively affected our reputation and public image in the past) and we may have more difficulty in implementing our business strategy. Any of these factors, individually or collectively, could have a material adverse effect on our business, results of operations, financial condition and prospects.

Moreover, as of the date of this Informational Document, we rely on Merlin Properties' IT platform to run our business processes, including accounting, sales, production, human resources and finance-related processes, in an integrated environment through our customized SAP software, which we will continue to use following our migration to our own IT platform, which we expect to occur by the end of 2018. See *“Business—Information Technology”* and *“Related Party Transactions—Transactions with the Significant Shareholders—Transactions with Merlin Properties—Merlin Interim IT Services Agreement”*. IT systems are important for our business operations and until we operate our business under our own IT platform, we will not have full control over our computer systems. Our current dependence on Merlin Properties' IT platform and the planned transition to our own IT platform pose several risks to our business operations (see *“—We are generally dependent on IT systems, which may fail, be inadequate for the tasks at hand or be subject to cyberattack”*), and could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are generally dependent on IT systems, which may fail, be inadequate for the tasks at hand or be subject to cyberattack.

Any malfunction or impairment of our computer systems could interrupt our operations and lead to increased costs and may result in lost revenue. IT systems need regular upgrading and, until we operate our business under our own IT platform, which we expect to occur by the end of 2018, we will be dependent on Merlin Properties' ability to implement any necessary upgrades on a timely basis. Further, once we operate our business under our own IT platform, it is possible that we are unable to implement necessary upgrades on a timely basis or at all. In addition, upgrades may not function as anticipated. Future technological developments could adversely affect the functionality of our computer systems and require further action, which could require us to spend substantial funds to prevent or repair computer malfunctions or upgrade our systems. Moreover, threats to IT systems are increasingly sophisticated and there can be no assurance that Merlin Properties (or ourselves, once we operate our business under our own IT platform) will be able to prevent all threats. Failure to protect the Group's operations from cyber-attacks could result in the loss of sensitive information (including personally identifiable information of our tenants, prospective tenants, employees and suppliers), which could result in reputational damage, litigation, sanctions and remediation costs. Furthermore, the transition to our own IT platform itself poses significant implementation risks. We cannot assure you that we will be able to migrate to a new IT platform on a timely or cost-effective basis. Failure to do so may cause significant disruption of our business operations. All of these factors, individually or collectively, could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may not be able to identify and acquire new suitable properties.

We intend to strengthen our leadership in the Spanish multi-family residential rental market and continue growing through the acquisition of new properties. As part of our strategy, we evaluate property portfolios and real estate companies (rather than individual properties) in order to identify those properties that might fit in with our business strategy. See *“—The acquisition of real estate involves risks that may not be avoided despite prior due diligence, in particular, in relation to bulk portfolio acquisitions”*. As of the date of this Informational Document, our management has identified a sizeable pipeline of investment opportunities that we are actively considering following our strict capital deployment criteria. However, we have no exclusivity rights, purchase rights or formal undertakings or agreements in connection with the acquisition of all the properties forming part of such investment pipeline and, therefore, we may not be able to materialize the identified investment opportunities. See *“Business—Business Operations—Portfolio Management—Pipeline”*.

The acquisition and ownership of real estate assets includes certain investment risks, including that the

investment may fail to perform as expected or that the assumptions, estimates and valuations related to any acquired properties may prove inaccurate. In particular, our profitability depends largely on our ability to forecast market rents, property-related costs and property values. This requires us to also forecast economic and demographic trends. Our failure to accurately make these forecasts could have a material adverse effect on our business, results of operations, financial condition and prospects. Apart from the risks associated with the acquired properties themselves, acquisitions occupy management resources that then cannot be deployed towards other opportunities.

In addition, there can be no guarantee that we will be successful in our negotiations to acquire any given property and our performance may be affected by costs associated with potential acquisitions that do not proceed to completion. In particular, identifying, investigating and pursuing suitable acquisition opportunities and negotiating them on suitable terms require significant expenditure prior to consummation of the transactions. We are likely to incur certain third-party costs in connection with the valuation and professional services associated with the sourcing and analysis of opportunities. Furthermore, acquisitions occupy management resources that then cannot be deployed towards other opportunities or other areas of our business. There can be no guarantee that we will be successful in our negotiations to acquire any given property, and the total cost, including opportunity cost, incurred in connection with potential acquisitions that do not proceed to completion could have a material adverse effect on our business, results of operations, financial condition and prospects.

Moreover, we intend to finance future acquisitions mainly by taking on additional debt or by selling new shares in the capital markets or by a combination thereof. If we are unable to obtain the necessary capital on reasonable terms, we may be unable to make further acquisitions or may be able to do so only to a limited extent. Furthermore, any additional debt incurred in connection with future acquisitions could have a significant negative impact on the Group's performance indicators, such as the loan-to-value ratio ("**LTV**"), and could result in higher interest expenses for us and affect our ability to satisfy the financial covenants or other terms of our existing credit facilities. See "*—We expect to require significant levels of external finance to fund our liquidity needs going forward and we may not be able to obtain financing in significant terms or at all*". If we are no longer able to obtain the debt or equity financing we need to acquire additional property portfolios, or if we are able to do so only on onerous terms, our further business development and competitiveness could be severely constrained.

Furthermore, our plans to grow the volume of business, which may entail expanding our activities into new regions of Spain (as is the case with the portfolio that, subject to the fulfilment of certain conditions precedent, we have agreed to acquire under the New Portfolio Purchase Agreement (see "*Business—BuildingCenter Portfolio*")), could require adaptation of our operational and organizational structure, particularly the continued development of suitable planning and controlling processes, as well as the hiring of additional qualified employees to the extent that our growth exceeds our available resources. To the extent that such growth occurs through acquisitions of, or investments in, other companies, we will need to successfully integrate the acquired business units or investments into our business in order to achieve the desired results with the acquisitions or investments. Furthermore, to the extent that we do not acquire all the share capital of such other companies, we would be subject to the risks associated with joint ownership. We cannot guarantee that the systems, operations, controls or general resources for the support of the expansion of our business are appropriate. We may no longer be in a position to effectively control our internal and external growth or to obtain the resources and employees necessary to do so.

The competitiveness of the Spanish real estate sector has increased in recent years due to the entry of new participants in this market and we face significant competition in acquiring attractive properties on advantageous terms. See "*—Risks Relating to the Real Estate Industry—We operate in a highly competitive industry*". Accordingly, there can be no assurance as to how long it will take us to invest in new properties and, thus, it may take longer than expected to find suitable properties in which to invest or we may not be able to find or acquire suitable properties at all. Moreover, properties that may be acquired in the future may not develop as favorably as expected and anticipated synergies, economies of scale and cost savings might not be realized in whole or in part at the expected time or at all. This could result in higher administrative and management costs. For example, targeted rent increases may not be implemented as planned due to a lack of tenants who are willing or able to pay increased rents, or vacancy rates may increase, due to, for example, unfavorable demographic or economic developments.

A failure to achieve the desired results of acquisitions or investments could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are employing a business model with a limited track record, which may make our business difficult to evaluate.

Until recently, the Spanish residential rental business consisted primarily of private and individual investors in local markets and was managed individually or by small, non-institutional owners and property managers. Our business strategy involves purchasing, renovating, maintaining and managing a large number of properties and leasing them to qualified tenants. Entry into this market by large, well-capitalized investors is a relatively recent trend in Spain, so few peer companies exist and none have yet established long-term track records that might assist us in predicting whether our business model and strategy can be implemented and sustained over an extended period of time. It may be difficult for you to evaluate our potential future performance without the benefit of established long-term track records from companies implementing a similar business model. We may encounter unanticipated problems as we continue to refine our business model, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Acquiring and managing properties outside of our core geographies may expose us to additional risks.

On March 23, 2018, we entered into the New Portfolio Purchase Agreement, under which we have agreed to acquire 1,458 apartments for an aggregate purchase price of approximately €227 million, subject to the fulfilment of certain conditions precedent. Only 15% of such aggregate purchase price relates to apartments located in Madrid, whereas 9% relates to Almería and 5% relates to Seville, markets in which we are not currently present. For additional information on the geographic distribution of the portfolio to be acquired under the New Portfolio Purchase Agreement, see “*Business—BuildingCenter Portfolio*”. In the future, we may seek to further diversify the geographic distribution of our portfolio and acquire properties or portfolios in areas other than our current footprint in Spain, which is mainly focused on Madrid. We may also seek to make such acquisitions if they offer attractive expected yields. Since we have limited knowledge of other real estate markets, we may take strategic decisions which negatively impact the profitability of any properties we may acquire outside of our core geographies, and any such acquisition could prove to be particularly difficult and complex, may substantially divert management’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, any such other real estate market may be at a different stage of its cycle than our core markets, which may require us to deploy a strategy with respect to acquisitions in such market which is different from the strategy deployed in respect of properties located in our core geographies. Any of these factors, individually or collectively, could have a material adverse effect on our business, results of operations, financial condition and prospects.

We depend on our tenants and their willingness and ability to meet their lease obligations and renew their leases for substantially all of our revenues and are exposed to the risk of insolvency or illiquidity of our tenants.

We depend on rental income from tenants for substantially all of our revenues. As a result, our success depends in large part upon our ability to attract and retain qualified tenants for our properties.

Our reputation, financial performance and ability to make distributions to our shareholders would be adversely affected if a significant number of our tenants failed to meet their lease obligations or failed to renew their leases. For example, tenants may default on rent payments, make unreasonable and repeated demands for service or improvements, make unsupported or unjustified complaints to regulatory or political authorities, use our properties for illegal purposes, vandalize, damage or make unauthorized structural changes to our properties that are not covered by security deposits, refuse to leave our property upon termination of the lease, engage in domestic violence or similar disturbances, disturb nearby tenants with noise, trash, odors or eyesores, fail to comply with the by-laws of the relevant community, sublet to less desirable individuals in violation of our lease or permit unauthorized persons to live with them. Damage to our properties may delay re-leasing after eviction, necessitate expensive repairs or impair the rental income or value of the property resulting in a lower than expected rate of return. Additionally, the legal deposit paid by our tenants (although, the minimum legal amount established by the Spanish Lease Act is set at one month of rent although we can request additional guarantees depending on the tenant’s profile and solvency) may be insufficient to cover such damage. Moreover, since we have made significant additions to our portfolio since 2016 and many of our current tenants were selected by the prior owners of our properties, it is possible that such tenants do not have the creditworthiness of our target tenant base (see “*Business—Business Operations—Operational Strategy—Revenue Management—Vacancy Management*” for information on our acceptance policy for new tenants) and therefore pose a greater risk of rent losses and may be more likely to breach other lease obligations.

In particular, the insolvency or illiquidity of our tenants might cause them to default on their rental payment commitments. The creditworthiness of our tenants could deteriorate if unemployment levels increase, economic conditions worsen or if social security laws or rental subsidies, pursuant to which some of our tenants (such as certain tenants in Pamplona (see “*Risks Relating to the Real Estate Industry—Housing policies adopted in Spain or in the regions where we are present may adversely affect the Spanish real estate sector and, consequently, our Group*”)) receive funds, change. As of December 31, 2017, our tenant bad debt (calculated as unpaid rent after six months of delinquency on rental payments, net of guarantees provided under the affected lease agreements) represented 0.6% of our GRI. In addition, unpaid rent after 60 days of delinquency on rental payments, gross of guarantees represented 2.9% of our passing gross rents as of March 31, 2018. In cases of recurrent default without cure by residential tenants, we would ordinarily evict the defaulting tenant from the relevant property. Such a process, however, may be time-consuming (typically taking from six to eight months) and costly (having an average estimated cost of around €1,250, including legal expenses) and result in our loss of rental income and in our inability to pass on property-related costs to tenants for an uncertain period of time.

Moreover, eviction proceedings by owners and operators of residential units for lease have recently been the focus of negative media attention. Damage to our reputation could also have a material adverse effect on our business, results of operations, financial condition and prospects.

Furthermore, poor tenant selection and defaults and non-renewals by our tenants may lead to an increased tenant turnover rate, which may also result in our loss of rental income and in our inability to pass on property-related costs to tenants during the time in which properties remain vacant, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are exposed to risks related to the structural condition of our properties and their maintenance, repair and modernization.

We undertake to maintain our properties in good condition in order to optimize their value and therefore the rents that we can generate. For this reason, we perform maintenance and repairs. In addition, it may be necessary to modernize properties to increase their appeal or to meet changing legal requirements. These works may require that an apartment or an entire building be vacated for a period of time, with the resulting loss in revenues and increase in costs and expenses. Even if a property does not need to be vacated while such works are completed, to the extent such works affect a tenant’s ability to use part of such property, rents would have to be proportionally reduced while they are completed. It is also possible that part of all of the expenses incurred in connection with maintenance, repair and modernization works cannot be passed on to tenants, including as a result of restrictions imposed by the Spanish landlord-tenant laws (see “*Regulation—Urban Leases - Residential Properties*”). Our ability to pass on any such expenses to tenants is particularly limited with respect to properties which are subject to a social housing regime (representing 12.8% of our GAV and 16.1% of our GRI as of December 31, 2017) or in respect of which lease agreements were entered into prior to 1995 (representing less than 0.1% of our GRI as of December 31, 2017). See “*Business—Our Portfolio—Portfolio in Detail—Key Legal Features of Portfolio*”.

Numerous factors may generate substantial unbudgeted costs for maintenance, repair and modernization works. These factors may include the material and substances used at the time of construction, currently unknown building code violations and the age of the relevant building. In this regard, 84% of our apartments were built during 1997-2018, 9% of our apartments were built during 1982-1996, 3% of our apartments were built during 1967-1981 and 3% of our apartments were built during 1952-1966. While the low average age of our properties has allowed us to maintain low maintenance and modernization capital expenditure requirements in the past, such expenditures for future periods could increase as we acquire additional properties, including the BuildingCenter portfolio or the properties in our investment pipeline. Our capital expenditures amounted, respectively, to €1.3 million and €3.3 million for the three months ended March 31, 2018 and for the year ended December 31, 2017. Moreover, irrespective of their age, apartments typically require fitting out before they are re-let to a new tenant. The extent of such fitting out is determined on a case-by-case basis based on the state of the property but typically comprises at least its repainting. Our average re-letting capital expenditure per apartment from April to December 2017 was €1,708. and the average time required for the re-letting of an apartment was approximately 32 days in 2017. However, since both the capital expenditure and the time required to re-let an apartment varies on a case-by-case basis, these figures are included solely for illustrative purposes and are not indicative of any future outcome. For additional information on our capital expenditures and strategy, see “*Operating and Financial Review—Factors Affecting Our Financial Condition and Results of Operations—Investment in our portfolio*” and “*Business—Business Operations—Capex Strategy*”.

In addition, although we constantly review the condition of our properties, we may fail to identify the need for maintenance, repair and modernization measures on a timely basis or at all. Our failure to undertake appropriate maintenance, repair or modernization works could adversely affect the rental income earned from affected properties. Such a failure could entitle tenants to withhold or reduce rental payments or to terminate existing lease contracts. Moreover, even if the need for such works is identified on a timely basis, the required works can be delayed, for example, by reason of bad weather, poor performance or insolvency of contractors or the discovery of unforeseen structural defects, which may in turn preclude renting the property for a period of time.

Furthermore, we routinely retain independent contractors to perform maintenance, repair and modernization works and are exposed to possible delays by contractors in completing work as well as the risk of poor workmanship and cost overruns. See “*—We employ and work together with a number of service providers and are dependent on their performance*”. Moreover, since most of these works are outsourced to the same contractor any change in our relationship with such contractor or changes to contractual terms of our agreements with such contractor could have a material adverse effect on our business, results of operations, financial condition and prospects.

We employ and work together with a number of service providers and are dependent on their performance.

We employ and work together with a number of service providers, including providers of facility management services (such as minor repairs and maintenance services), real estate agents (whose services are limited to sourcing adequate tenants and providing ancillary services) and call center staff, and depend on their performance, including their proper handling of our tenants. While we supervise the work of such service providers, it is possible that they fail to meet their commitments, that their services fail to comply with our quality requirements or that such services are not provided on a timely basis. In addition, certain providers may experience operational or solvency issues and certain services may become unavailable to us as a result. Moreover, although we attempt to verify such providers’ compliance with health and safety regulations and labor and social security statutory requirements (such as being up to date with employer’s social security contributions and ensuring that their workers are legally employed) and other laws, regulations and requirements, any failure by them to comply with these laws, regulations and requirements could render us liable in respect of such obligations.

Furthermore, we mostly rely on one single contractor for performing maintenance, repair and modernization works, and our dependence on such single contractor may exacerbate our exposure to the above risks. In addition, while we work with various real estate agencies —seven of them on a recurrent basis— the commercialization of the vast majority of our portfolio is managed on an exclusive basis by a single real estate agent or agency at a time. This increases our dependence on the performance of each such real estate agent or agency and may not create the best incentives for them to minimize the time period required for re-letting a property. While we intend to revise our arrangements with real estate agents so that more than one of them is responsible for the commercialization of each asset, therefore increasing competitive tension, this may be time consuming and laborious. In addition, the call center that is responsible for handling questions and complaints from our tenants is externally managed and we are therefore dependent on their proper handling of our tenants.

All of these factors, individually or collectively, could have a material adverse effect on our business, results of operations, financial condition and prospects.

Turnkey projects are subject to risks.

We intend to enter into turnkey build-to-let agreements with developers, which we do not expect to represent, in the aggregate, more than 10% of our GAV at any time. In the event that we decide to enter into such agreements, we will be subject to risks and uncertainties associated with construction and development. These risks include, but are not limited to, risks related to obtaining all necessary zoning, land-use, building occupancy and other governmental permits and authorizations, risks related to the environmental concerns of government entities or community groups, risks related to changes in economic and market conditions between development commencement and stabilization, risks related to construction labor disruptions, adverse weather, acts of God or shortages of materials which could cause construction delays and risks related to increases in the cost of labor and materials which could cause construction costs to be greater than projected.

We will also be subject to uncertainties relating to the builder’s ability to build in conformity with plans, specifications, budgeted costs and timetables. If a builder fails to perform, we may resort to legal action to rescind the acquisition or the construction contract or to compel performance. A builder’s performance may also

be affected or delayed by conditions beyond the builder's control. Delays in completion of construction could also give tenants the right to terminate preconstruction leases. We may incur additional risks when we make periodic progress payments or other advances to builders before they complete construction. These and other such factors can result in increased costs of a project or a loss related to our investment. We must also rely on rental income and expense projections and estimates of the fair market value of the property upon completion of construction when agreeing upon purchase price at the time of entering into a turnkey agreement. If our projections are inaccurate, we may pay too much for an investment and our returns could suffer. In addition, given the high demand momentum for residential real estate assets in Spain, attractive turnkey projects may be unavailable or available only on unfavorable terms.

The occurrence of one or more of these circumstances in connection with turnkey build-to-let agreements we may enter into in the future could have an adverse effect on our business, results of operations, financial condition and prospects.

We do not own all of the properties in certain of the buildings in which we are present and may not be able to control the assemblies of property owners.

Most of our properties are located in buildings structured as condominiums (*propiedad horizontal*), which typically require decisions affecting the building to be taken in the assembly of property owners (*junta de propietarios*) by majority. In general, the passing of decisions requires the favorable vote of a double majority: (i) the applicable majority of the owners which, in turn, represent (ii) the applicable majority of the co-ownership quotas (i.e. interest in the condominium). See "*Regulation—Community of Owners—Adoption of Resolutions*" for information on the majorities required for the adoption of resolutions. Co-ownership quotas are generally based on the private and communal elements of the building which are assigned to each property (the larger the property is, the greater the co-ownership quota will generally be). In this respect, each property in the condominium is assigned a co-ownership quota, the calculation of which takes several factors into consideration, such as its surface, its location within the building (inside or outside) or foreseeable use of common elements by its owners or users. As a result, two properties, even of the same size, may be assigned different co-ownership quotas. Furthermore, even if we own all but one of the properties or the majority of the properties in a condominium, we may not be able to dictate the decisions affecting the condominium if the other owner(s) has/have conflicting interests (particularly, if we were not able to secure the double majority referred to above). In cases where we are not able to solely determine the outcome of decisions of the assembly of property owners and we represent a minority of owners and co-ownership quotas, we may be forced to comply with decisions passed by owners with economic or other interests inconsistent with ours, which could in turn affect our ability to implement our strategies or to control expenses. Approximately 40% of our apartments are located in buildings in which we do not own all of the underlying properties.

All of these factors, individually or collectively, could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may be forced to sell a portion of our portfolio on unfavorable terms.

Approximately 85 of our currently outstanding lease agreements contain an option that allows the tenant to purchase the relevant property from us for a price that is already determined in the lease contract and which may be below its current fair market value, with rents paid in the past typically being deducted from the purchase price. Even if most of the options are above market value, there can be no assurance that some or all of the tenants will not exercise this option and force us to sell the affected properties to them at the agreed purchase price. Additionally, if any option is exercised in relation to a Qualifying Asset before the three year holding period is completed we may have to face additional tax payments under the SOCIMI Regime (see "*—Under the SOCIMI Regime, sales of Qualifying Assets prior to the minimum holding period may have negative implications for us*"). The cycle in the real estate market may have changed by the time the option is exercised and the initially agreed purchase price that may have been considered beneficial at the time of executing the lease agreement may not be as advantageous for us at the time of sale. This would result in us being legally forced to sell properties on unfavorable conditions and in a reduction in the size of our portfolio. Further, we could in turn decide to replace the sold properties by acquiring new properties at higher prices, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We could also be forced to sell part of our real estate portfolio if our creditors enforce their collateral under our mortgage loans if we fail to comply with the terms of our indebtedness. See "*Operating and Financial Review—Liquidity and Capital Resources—Borrowings and Other Financing Arrangements—Mortgage Loans*". In those

scenarios, there would likely be a significant shortfall between the price obtained in the sale and the carrying amount of the portfolio sold. Any such shortfall could have a material adverse effect on our business, results of operations, financial condition and prospects.

Declining real estate values could adversely affect us.

The value of our real estate properties has a significant effect on our financial performance. Any changes in the fair value of our portfolio are recognized as gains or losses on our income statement and can substantially affect our results of operations. In addition, GAV, which in our case is based on the most recent valuation of our real estate properties on a consolidated basis, is a widely used measure by certain of our peers, investors, securities analysts and other interested parties to assess the evolution of companies in the real estate sector. Moreover, a temporary or permanent drop in real estate values would lead to an increase in our LTV ratio and may affect our ability to satisfy the financial covenants or other terms of our existing credit facilities. In particular, the Syndicated Facilities Agreement (as defined herein) requires that the LTV ratio must not exceed 50%, see “*Operating and Financial Review—Liquidity and Capital Resources— Borrowings and Other Financing Arrangements*”. In addition, any such evolution may affect our ability to satisfy any variable remuneration or incentive plan that we may establish for our managers that may directly or indirectly be linked to the evolution of our real estate values.

As of the date of this Informational Document we comply with our applicable financial covenants and while we believe that the main financial covenants that are included in our existing credit facilities are relatively standard—with maximum LTV ratios ranging between 50 to 60%, interest coverage ratios being above 2x and unencumbered ratios being above 25%— we cannot assure we will be able to satisfy said financial covenants or other terms of our existing credit facilities in the future.

We expect our investment properties to be typically revalued twice a year (as of June 30 and December 31) by external appraisers 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). Changes in certain market conditions such as prevailing rents and vacancy rates may affect the value of our properties. In addition, discount rates and the capitalization rates that are derived from the interest rates in the market and the risk premium applied to our business may significantly influence the valuation of our investment properties. Moreover, real estate valuation is inherently subjective, in part because all real estate 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 real estate property. See “—*Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Informational Document —The Valuation Report and/or additional existing or future valuation reports could incorrectly assess the value of our properties*”.

Declining real estate values could have a material adverse effect on our business, results of operations, financial condition and prospects.

We own non-residential real estate properties which are subject to certain risks inherent in their respective property classes.

We own 295 residential-linked retail units located in buildings where we have residential properties. In the aggregate, non-residential real estate properties (that include the residential-linked apartments, our office building and the Plaza de Castilla car park) represent approximately an aggregate GAV of €19 million (5.3% of our total GAV) and a GRI of approximately €4.6 million (6.3% of our GRI). Demand for retail space is closely linked to general economic conditions, including levels of employment and consumption, and demand for residential properties in adjacent areas. In addition, the retail sector is currently facing competition from large retail surfaces, as well as a considerable competition from e-commerce and online retail with consumer shopping habits increasingly shifting from store usage to internet shopping, putting pressure on retailers’ revenues. These factors could have an adverse impact on demand for retail space and, in turn, may negatively affect our ability to attract tenants for our retail properties or may force us to accept lower rents to fill space.

Additionally, we own one office building, which represents 5% of our total non-core GAV and 5% of our non-core GRI. As of the date of this Informational Document, our office building is rented to a single tenant under a lease agreement which initial term expires on April 19, 2020 and can be extended up to two times, for an additional two-year period the first time (until April 19, 2022), and for an additional five-year period the second time (until April 19, 2027). As a result, the insolvency or illiquidity of such tenant, including due to a downturn

in the particular economic sector in which such tenant operates, may adversely affect us. It could be difficult for us to timely find suitable new tenants. Demand for office space is subject to a number of factors inherent in such type of assets, including overall economic conditions and the attractiveness of a particular location due to transport links, the proximity of other office space and commercial tenants and general trends in the commercial real estate market, such as trends in the usage of office space. Even where demand for office space is generally high, our office space may not be suitable for potential commercial tenants because they may seek bigger surfaces, a particular layout of office space or a particular location which is different from that offered by us or due to other characteristics of the office space which can result in office space remaining vacant.

We own 701 parking spaces which are not rented together with our apartments (including the Plaza de Castilla car park). The only relevant stand-alone parking is our Plaza de Castilla car park. For more information on our car parks not rented together with our apartments see “*Business—Our Portfolio in Detail—Portfolio Segmentation—Non-core Assets*”. Our receipts from our car park depend on the level of occupancy. Such level of occupancy may vary depending on a number of factors, including the accessibility and convenience of our car park, the availability of free parking spaces nearby or spaces in our competitors’ car parks, the amount and pattern of traffic flow in the vicinity, the economic climate, fuel prices, the appearance of new shopping or business centers in the area, transport initiatives to increase the use of public transportation, and local regulation on traffic and car parks.

If we fail to manage our non-residential properties successfully, including as a result of our clear residential focus, this could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may sustain substantial losses from damage not covered by, or exceeding the coverage limits of, our insurance policies.

We attempt to ensure that our properties are adequately insured to cover casualty losses. To this effect, we have purchased the following insurance policies, (i) property casualty insurance, which covers material damages to our properties and loss of rental income, (ii) liability insurance; and (iii) directors and officers (D&O) insurance. Additionally, we have sought further insurance protection to cover certain risks associated with the Listing. However, there are certain losses which may not always or generally be insured against because it may not be deemed economically feasible or prudent to do so. See “*Business—Insurance*” for information on our insurance policies. Our insurance policies are subject to exclusions and limitations of liability. In particular, our insurance coverage is subject to deductibles and carve-outs, and we are self-insured up to the amount of such deductibles and carve-outs. As a result, the Group could incur damages that are not covered by our insurance policies, or that exceed the coverage limits of our insurance policies. In addition, changes in the cost or availability of insurance could expose us to uninsured casualty losses. If our properties were to incur a casualty loss that is not fully covered by insurance, the value of the affected properties would be reduced by the amount of any such uninsured loss, and we could experience a significant loss of capital invested and potential revenues in such properties and could potentially remain obligated under any recourse debt associated with such properties. Inflation, changes in building codes and ordinances, environmental considerations and other factors might also keep us from using insurance proceeds to replace or renovate a particular property after it has been damaged or destroyed. Under those circumstances, any insurance proceeds we receive might be inadequate to restore our economic position on the damaged or destroyed property. Any such losses could adversely affect us. In addition, we may have no source of funding to repair or reconstruct the damaged property, and we cannot assure that any such sources of funding will be available to us for such purposes in the future.

Any of these factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our business is subject to various laws and regulations, which often provide discretion to administrative authorities and may be subject to change.

In general, we are subject to the general legal framework applicable to the real estate sector and required to comply with Spanish and EU laws and regulations, including property, landlord-tenant, land use, development, zoning, health, safety, energy consumption, real estate asset taxation and environmental laws and regulation. This framework mainly includes the Spanish Lease Act, as well as special provisions in other laws such as social legislation, construction laws, historic preservation laws and tax laws. In addition, with respect to lease agreements that were entered into before January 1, 1995, we are subject to the strongly pro-tenant regime set forth by Royal Decree 4104/1964, of December 24, on urban leases, as amended at the time the relevant lease

agreement was entered into. We are also subject to various social housing regimes in respect of certain of our buildings. See “—Risks Relating to our Company—Certain of our properties are subject to social housing regimes and certain of our properties have lease agreements that were entered into prior to 1995 that, in each case, restrict our ability to freely manage the related properties”. Applicable laws within Spain may vary from one autonomous region (*comunidad autónoma*) to another, and also between different assets within the same autonomous region (*comunidad autónoma*) depending on the applicable municipal legislation. If we do not comply with such laws or regulations, municipal corporations, autonomous regions (*comunidades autónomas*) and the central government in Spain, as well as the relevant authorities in the EU, could impose sanctions or corrective measures to us.

These laws and regulations often provide with discretion to the administrative authorities and are also subject to change (some of which may be retrospective), which could adversely affect, among other matters, existing planning consents, costs of property ownership, costs of property transfer, the capital value of our properties and/or our rental income. Such changes may also adversely affect our ability to use a property as initially intended and could also cause us to incur increased capital expenditure or running costs to ensure compliance with such new applicable laws or regulations, which may not be recoverable from tenants. Any disadvantageous changes to domestic or European laws or changes in the interpretation or application of existing laws could, therefore, have a negative effect on us.

For example, increasing social concern in Spain on eviction has resulted in certain changes to tenant protection laws, which could make it more difficult to evict tenants in case of default on their rental obligations. In particular, in certain autonomous regions (*comunidades autónomas*) we may be required to offer social rented housing (*alquiler social*) for a given period of time or an alternative housing solution to an evicted tenant, provided such tenant meets certain requirements. Future changes to regulations governing rents or the minimum required terms of lease contracts (as it has occurred in Germany) or the tenants’ responsibility for ancillary costs or modernization investments, could also have an adverse effect on the profitability of our investments and results of operations. See also “—Risks Relating to the Real Estate Industry—Housing policies adopted in Spain or in the regions where we are present may adversely affect the Spanish real estate sector and, consequently, our Group”.

Due to the nature of our business, we are regularly involved in the acquisition, exploitation and disposal of real estate properties in Spain. Changes in tax legislation, administrative practice or case law (whether national, regional (including the historical regions (*comunidades o territorios forales*) of Spain), or local), which may be adopted at any time on short notice, could have adverse tax consequences for us. For example, there could be increases in the rates of property transfer tax, real property tax (*Impuesto sobre Bienes Inmuebles*), value added tax or the municipal capital gains tax. Some of these taxes are locally managed by city councils and may vary from place to place. The proposed State budget for 2018 foresees the introduction of a new measure through which the Spanish authorities in charge of the cadastral registry (*Dirección General del Catastro*) would assess the value of properties based on the information obtained from Spanish real estate transactions communicated by public notaries. This value would be used as a reference to determine the market value of properties. As a result, this new value would be more in line with the market value of properties than cadastral values which constitute the taxable base to calculate the real property tax (*Impuesto sobre Bienes Inmuebles*) and the municipal capital gains tax (should the proposal made by the Spanish government to determine the taxable base of the latter tax be approved as currently drafted), both of them being managed locally. If such new measure is adopted, it is possible that city councils may decide to request a review of the cadastral values, using such new measure as a reference, which could increase our taxation when holding or disposing properties and have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, certain autonomous regions (*comunidades autónomas*) and municipalities are adopting or considering the adoption of new taxes or surcharges on empty dwellings in an attempt to reduce the stock of empty houses and foster social renting. These new taxes may be imposed as a levy on the surface area of the empty dwelling (for instance, Catalonia has established a progressive tax rate based on the surface area of the dwelling, which ranges from €10 to €30 per square metre of the surface area of the dwelling, which must have been unoccupied for more than two years) or a surcharge on the property tax (for example, San Sebastián has stipulated a surcharge of 25% over the property tax to be paid in connection with empty dwellings). While we have not been affected by these new taxes or surcharges in the past, we cannot guarantee that these or other new taxes or surcharges which may be adopted in the future will not affect our operations in the future.

Moreover, although we believe that we are in material compliance with applicable taxes (including with respect to transfer pricing taxation, the SOCIMI Regime requirements and our pre-SOCIMI tax adjustments and credits),

both we and our subsidiaries may be subject to reassessment by the Spanish tax authorities and, in such event, it is possible that the Spanish tax authorities' analysis of such applicable taxes may differ from ours. For example, the Spanish tax authorities' analysis of the tax implications of the recent corporate transactions undertaken by us (including our merger with the residential business spun-off of Metrovacesa in October 2016) could differ from ours, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Additionally, in certain autonomous regions (*comunidades autónomas*) (Madrid, Catalonia and the Basque Country, among others) legislation has been approved (i) enabling the competent administrative bodies to temporarily expropriate properties which are not used or occupied during a certain period of time to satisfy the housing needs of resourceless people, and/or (ii) charging a tax to the owners of such properties, and/or (iii) compelling the landlords which have successfully evicted tenants to continue to lease the relevant properties (or alternative ones) to such tenants when certain requirements are complied with (basically related to extreme poverty and social exclusion situations affecting the tenant and his / her family), or to paralyze the relevant eviction proceedings until alternative housing is provided to the tenants (by the landlord and/or the administrative body, as the case may be). However, some of the relevant provisions of the referred laws have been declared null and void, or their application has been temporarily suspended by the Spanish Constitutional Court.

According to the Spanish Constitution, the autonomous regions (*comunidades autónomas*) have exclusive competence over the management of environmental protection based on certain principles established by the central government which are applicable throughout Spain. Liability under Spanish law for removal of contaminated soil is based on the principle that the person causing the contamination is liable. Where it is not possible to identify the person causing the contamination, such liability falls on the owner and, subsequently, to the tenant. Therefore, in the event that land owned by us is contaminated, and the person causing the contamination cannot be identified, we could be liable.

More restrictive environmental, health or safety laws and regulations, or their interpretation by the relevant authorities, could cause us to incur greater expenses if, for example, the provisions on the handling of asbestos or other hazardous construction materials were made more restrictive and we were required to take action. The imposition of new environmental liabilities associated with our properties (including environmental liabilities that were incurred or that arose prior to our acquisition of such properties) may result in significant investigation, removal, or remediation costs regardless of whether we originally caused the contamination or other environmental hazard. In addition, while as of the date of this Informational Document we are not aware of the existence of any material environmental liability associated with our properties, if any such environmental liability were to emerge, it could adversely affect our ability to sell, lease or redevelop a property, or to borrow using a property as security and may in certain circumstances (such as the release of certain materials, including asbestos, into the air or water) form the basis for liability to third persons for personal injury or other damages.

Moreover, if, during the course of a refurbishment or modernization, it should be discovered that a building acquired by us is subject to historic preservation laws, the need to comply with the respective historic preservation requirements could lead to significant delays in the refurbishment or modernization process, the inability to carry out particular refurbishment or modernization measures, and also significantly higher costs for the particular project. The profitability of our investments and results of operations could also be adversely affected if the legal requirements relating to existing and permitted properties and their use become more onerous, such as if requirements were imposed to increase the availability of handicapped-accessible and adapted housing.

Lastly, despite a general principle prohibiting retroactive application, amendments to applicable laws, orders and regulations can also be retroactive. Additionally, divergent statutory interpretations by authorities or courts are possible. If changes in the legal or tax framework conditions that negatively affect our business should occur, individually or together, this could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may cease to be qualified as a Spanish SOCIMI which would have adverse consequences for us and our ability to deliver returns to shareholders.

In September 2016 we elected for Spanish SOCIMI status under the SOCIMI Regime (as defined in “*Spanish SOCIMI Regime and Taxation Information*”) and, thus, we are subject to a 0% Corporate Income Tax (“CIT”) rate with the exceptions set forth in “*Spanish SOCIMI Regime and Taxation Information—Spanish Tax*

Considerations—Spanish corporate income taxation of entities qualifying for the SOCIMI Regime". The requirements for maintaining such SOCIMI status, however, are complex and the Spanish SOCIMI Regime is relatively new with limited practical history of interpretation. Furthermore, there may be changes subsequently introduced (including a change in interpretation) to the requirements for maintaining SOCIMI status. Investors in the Shares should note that there is no guarantee that we will continue to maintain our SOCIMI status, whether by reason of failure to satisfy the conditions for Spanish SOCIMI status or otherwise.

As further explained in "*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI*", a company may lose its SOCIMI status due to any of the following:

- (i) delisting;
- (ii) substantial failure to comply with its information and reporting obligations;
- (iii) failure to adopt a dividend distribution resolution or to effectively satisfy the dividends within the deadlines described in the SOCIMI Regime; or
- (iv) failure to meet the requirements established in the SOCIMI Regime unless such failure is remedied within the following fiscal year.

In particular, our ability to maintain our SOCIMI status may be affected by the ability of our subsidiary Compañía Urbanizadora del Coto, S.L. ("**Coto**") to also maintain such status. The six housing developments owned by Coto represent 17.5% of our GAV and 15.7% of our GRI as of December 31, 2017. To comply with the SOCIMI Regime, on April 26, 2018, our Board of Directors together with the Sole Director of Coto prepared and signed a joint merger plan for the absorption of Coto (*proyecto común de fusión por absorción*) in compliance with the provisions of article 30 of the Spanish Act 3/2009 on Structural Amendments of Private Companies (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*). The entailed merger was approved by our Board of Directors on May 22, 2018 and is due to take place after the Listing pursuant to which Coto will integrate itself into Testa by way of a block transfer of its assets and liabilities (for more information see "*Business—History*"). Failure to merge with Coto could affect our ability to satisfy the requirement that at least 80% of our net annual income derives from the lease of Qualifying Assets or from dividends distributed by Qualifying Subsidiaries and real estate collective investment funds. See "*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Restrictions on income*".

If we were to lose our SOCIMI status as a result of any of the above, we would have to pay CIT on the profits deriving from our activities at the standard CIT rate (currently 25%) and may face additional tax payments, and would not be eligible to become a SOCIMI (and benefit from its special tax regime) for three years.

If we are unable to maintain our SOCIMI status, the resulting consequences may have a material adverse effect on our business, results of operations, financial condition and prospects and could adversely impact the marketability and liquidity of our ordinary shares and their value.

The SOCIMI Regime subjects us to a mandatory dividend distribution policy which may limit our ability and flexibility to pursue growth through acquisitions.

In order to maintain our SOCIMI status and benefit from a 0% CIT rate, we are required, among other things, to adopt resolutions for the distribution of dividends to shareholders, after fulfilling any relevant Spanish Companies Act requirement, within the six months following the end of a 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 activity and other ancillary activities).

If the relevant dividend distribution resolution is not adopted in a timely manner, we will lose our SOCIMI status as per the year to which the dividends relate and we will be required to pay CIT on the profits deriving from our activities at the standard rate (currently 25%) as from the relevant tax period in which we lose such status. In such case, we will not be eligible to become a SOCIMI (and benefit from its special tax regime) for three years.

See “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Mandatory dividend distribution*”.

As a result of the restrictions referred to above, we are able to apply only a limited amount of our income to acquiring additional properties and our ability to grow through acquisitions will be limited if we are unable to obtain further debt or equity financing. If we elect to rely on equity financing, shareholders’ interests in our Company may be diluted.

These requirements to maintain status as a Spanish SOCIMI could limit our ability and flexibility to make investments and pursue growth through acquisitions, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Under the SOCIMI Regime, sales of Qualifying Assets prior to the minimum holding period may have negative implications for us.

At least 80% of a SOCIMI’s net annual income must derive from the lease of Qualifying Assets (urban real property to be leased and land plots acquired for 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 of the land plot (see “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Restrictions on income*” section of the Informational Document)) or from dividends distributed by Qualifying Subsidiaries and real estate collective investment funds. See “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Restrictions on 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 end of the minimum holding period (see “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Minimum holding period*”), then (i) such capital gain would compute as non-qualifying revenue within the 20% threshold that must not be exceeded for the maintenance of SOCIMI status; and (ii) such gain would be taxed at the standard CIT rate (currently 25%). Furthermore, the entire income, including rental income, derived from such asset also would be subject to the standard CIT rate.

If we were to fail the 80%/20% net income test or the 80%/20% gross asset test (which establishes that at least 80% of the SOCIMI’s assets must be invested in certain urban real property, land plots, shares or interests, as described in “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Restrictions on investments*”) in a given fiscal year, we will have one-year grace period to cure that infraction. If either such test is not met within that fiscal year, we will lose our SOCIMI status, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may become subject to additional taxes if we pay a dividend to a Substantial Shareholder which may in turn reduce our profits. Additionally, dividend payments to Substantial Shareholders may be subject to deductions.

We may become subject to a 19% CIT in respect of gross dividends distributed by us if the beneficiary of such dividends holds at least 5% of our shares, and is (i) either exempt from any tax on the dividends or subject to tax on the dividends received at a rate lower than 10% (for such calculations, any tax due under the Spanish Non-Resident Income Tax Law is also taken into consideration) or (ii) does not timely provide us with the relevant information evidencing its equal or higher than 10% taxation on dividends distributed by us in the terms set forth in our by-laws (a “**Substantial Shareholder**”). For further information on how to calculate the level of taxation, see “*Spanish SOCIMI Regime and Taxation Information—Spanish Tax Considerations—Spanish corporate income taxation of entities qualifying for the SOCIMI Regime*”.

Our by-laws contain indemnity obligations from Substantial Shareholders in our favor designed to discourage the possibility that dividends may become payable to Substantial Shareholders. If a dividend payment is made to a Substantial Shareholder, we will be entitled to deduct an amount equivalent to the tax expenses incurred by us on such dividend payment from the amount to be paid to such Substantial Shareholder (although the Board will maintain certain discretion in deciding whether to exercise this right if making such deduction would put us in a worse position). However, we cannot provide assurance that these measures will be effective. If these measures are ineffective, the payment of dividends to a Substantial Shareholder may generate an expense for us (since we may have to pay a 19% CIT on such dividend) and, thus, may in turn result in lower distributions for the rest of

the shareholders.

Our use of standardized contracts could result in claims against us or in the loss of certain of our rights and privileges, including our rights to claim damages.

As our business involves a large number of individual real estate properties and tenants, each with a relatively small individual value, we maintain numerous legal relationships, in particular with tenants, contractors and service providers, any one of which is not financially material to us. As a means of efficiently managing these legal relationships, we often make use of standardized documents and form contracts. See “*Business—Material Contracts—Residential Lease Agreement Template*” for a summary of the key provisions of our residential lease agreement template. These documents and contracts may contain ambiguities or errors, and the fact that any given document or contract is standardized may cause a significant number of contractual terms or even the validity of a large number of contracts to be affected. Due to frequent changes in the law, particularly in case law regarding general terms and conditions, the use of such standardized contractual terms is not without risk. For example, it is possible that, as a result of changes to law or case law, ambiguities or errors in standard contract terms may give rise to claims or cause us to lose certain rights and privileges, such as the right to claim damages which could, in turn, adversely affect our rental income and operating profit.

Even in the case of contracts prepared by external legal advisors, it is nearly impossible to anticipate problems of this nature, as changes could occur in the legal framework, including via case law, making it impossible to avoid any ensuing legal disadvantages. Any of the aforementioned risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

A property that incurs a significant vacancy could be difficult to sell or lease.

A property may incur a vacancy either by the default of a tenant under its lease, the expiration of one of our leases or the tenant leaving before its effective expiration. Moreover, since we are required to conduct our property management business in such a manner that properties are maintained in the condition as required by the leases and by law, vacancies also occur when properties must or should be refurbished and thus cannot be rented out for a period of time. The vacancy rate could rise in the future.

As of March 31, 2018, our apartments had a vacancy rate (as defined herein, see “*Certain terms and conventions*”) of 9.0%, broken down as follows (i) 2.7% which was attributable to apartments which were being fitted out before being offered for lease again (this typically consists of a period of four weeks from the termination of the prior lease agreement); (ii) 2.2% which corresponded to apartments which had been offered for lease for less than 90 days; and (iii) 4.2% which corresponded to other apartments, including apartments which had been offered for lease for more than 90 days, non-core apartments and apartments occupied by tenants with whom we were renegotiating the terms of new lease agreements.

We may have difficulty obtaining a new tenant for any vacant space in our properties, including as a result of the vacant property’s location or condition. In addition, while most of our current portfolio is not located in areas with a high concentration of vacant apartments, occupancy trends could change. An increase in the number of vacant properties in a particular area where we operate could adversely affect our ability to re-lease a property at attractive rental levels or at all. If a vacancy in any of our properties continues for a long period of time, we may suffer reduced revenues and higher costs (given our inability to pass on costs to tenants), resulting in less cash to be distributed to shareholders. In addition, vacant properties are typically subject to increased risks of theft, mold, infestation, vandalism, illegal occupation or activity on the premises, general deterioration and other maintenance problems that may persist without appropriate attention and remediation. Moreover, the resale value of any such property could be diminished because the market value of a particular property may mainly depend upon the value of the leases of such property.

Furthermore, vacant properties may subject us to regulation recently adopted by certain regional governments which is aimed at penalizing the existence of empty dwellings, including new taxes or surcharges on such properties (such as those adopted in Catalonia, San Sebastián, Andalusia or Pamplona), the temporary expropriation of such properties by the relevant administrative authorities to satisfy the housing needs of resourceless people, or the obligation to continue leasing such properties (or providing alternative housing solutions) to evicted tenants. See “—*Our business is subject to various laws and regulations, which often provide discretion to administrative authorities and may be subject to change*”. Any of these factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

We face intense competition for the employment of management executives and key personnel.

Our success is expected to depend significantly on the retention of our management executives and relevant personnel in key positions, most of whom have substantial sector expertise. Additionally, it is important for us to be able to hire and retain additional qualified employees to the extent that an expansion exceeds our available resources or to replace lost employees. Due to the intense competition for management executives and qualified personnel in the real estate field, we cannot guarantee that we will succeed in the future in hiring the necessary management executives and new personnel. The loss of one or more members of our management team or other key employees without a timely and adequate replacement, and any failure to attract new highly-qualified management executives, could impair our growth and make it difficult for us to manage our business operations effectively.

We may face loss of revenue and liability in relation to pending licenses, permits or certificates.

In order to exploit our residential properties, we are required to obtain, and sometimes periodically renew, occupancy licenses (*licencia de primera ocupación*). In certain regions, we may also be required to obtain a certificate of occupancy (*cédula de habitabilidad*) or to make certain representations as to the conditions of the relevant property. We also need to obtain energy efficiency certificates before we can rent our residential properties. Moreover, with respect to our non-residential properties we may be required to obtain activity licenses. Furthermore, the undertaking of refurbishment works in our properties may require that we first obtain certain permits. As obtaining licenses and permits from municipal authorities may sometimes be subject to long administrative delays, and they may not be granted at all, there may be periods during which we use our real estate properties without all of the required licenses and permits or we may need to forego the use of our real estate properties as originally scheduled. While as of the date of this Informational Document we have not been subject to any significant sanction, any of the aforementioned factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are subject to reputational risk.

We rely on our reputation to do business (including attracting tenants), obtain financing, hire and retain employees and attract investors, one or more of which could be adversely affected if our reputation, or the reputation of members of our board, the management team, or other employees were damaged. Harm to our reputation could arise from real or perceived failure to comply with legal and regulatory requirements, difficulties in meeting contractual obligations or standards of quality and service, ethical issues, money laundering and insolvency, among others. It could also arise if our relationship with certain vulnerable populations (such as the elderly and youth, disabled persons, long-term unemployed tenants or social housing tenants) were to deteriorate or give rise to claims that are the focus of media attention. Harm to our reputation could reduce the demand for our properties, have a negative effect on our relationship with sellers of properties or otherwise materially adversely affect our business, results of operations, financial condition and prospects.

We rely on information supplied by prospective tenants in managing our business.

We make leasing decisions based on our review of rental applications completed by prospective tenants. While we may seek to confirm or build on information provided in such rental applications through our own due diligence, including by conducting background checks, we rely on the information supplied to us by prospective tenants to make leasing decisions, and we cannot be certain that this information is accurate. These applications are submitted to us at the time we evaluate a prospective tenant and we do not require tenants to provide us with updated information during the terms of their leases, notwithstanding the fact that this information can, and frequently does, change over time. For example, increases in unemployment levels or adverse economic conditions in certain of our markets may adversely affect the creditworthiness of our tenants in such markets. Even though this information is not updated, we will use it to evaluate the characteristics of our portfolio over time. If tenant-supplied information is inaccurate or our tenants' creditworthiness declines over time, we may make poor or imperfect leasing decisions and our portfolio may contain more risk than we believe, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Relating to the Real Estate Industry

Real estate markets are cyclical and the Spanish real estate sector recently underwent a period of significant price decline.

Real estate markets are typically cyclical in nature and are affected by the condition of the economy as a whole. Occupancy levels, in-place rent and, generally, the value of the assets are influenced by, among other factors, the supply and demand of similar properties, interest rates, inflation, GDP, changes in laws and regulations, political and economic events and demographic and social factors.

Prior to the onset of the recent recessionary conditions affecting the real estate sector, the Spanish market had undergone, during the first half of the last decade, disproportionate growth driven by economic factors (e.g., rise in employment and GDP), financial factors (e.g., low interest rates) and demographic, cultural and social factors (e.g., a general preference for home ownership over renting and increased immigration). However, the global financial crisis beginning in the summer of 2007 greatly affected the Spanish real estate sector, changing the outlook of the Spanish real estate sector with falling prices and a substantial decrease in demand.

The slowdown of activity in the Spanish real estate sector, which up to the middle of 2007 was moderate, sharpened during the second half of 2007, reaching peak levels in the third quarter. Then, the activity in the sector progressively declined until 2014, when it reached its lowest levels. Companies operating in the real estate sector in Spain suffered significant downward adjustments in the valuation of asset portfolios. In addition, access to bank financing for real estate investment companies remained difficult throughout these years (source: Eurostat, House Price Index).

Beginning in 2014, Spanish real estate values began to stabilize and rallied in subsequent years. Since the lows reached in 2014, the Spanish real estate sector has experienced a 19% growth, remaining 25% below the maximum values reached in 2007. In spite of this recent momentum, there is no assurance that these trends will continue or be sustainable and it is difficult to predict how long any period of growth will last. To the extent that macroeconomic factors do not continue to improve as expected, Spanish real estate values could decline again, and those declines could be substantial, particularly if the recessionary conditions in the Spanish economy were to return. The increase in housing prices and employment (with a decrease of 40% in unemployment since the first quarter of 2013) have contributed to an increase in the concession of credits. However, despite the positive trend of these indicators, since 2013, Spanish wages and job quality have lagged significantly, as shown by the 39% growth in temporary contracts as compared to a 7% growth in fixed term contracts in the same period. We cannot predict how the Spanish economy will fare in the future, nor whether the real estate sector will face recessionary conditions going forward, which would imply a decrease in sales and rents and an increase in financing costs (source: Spanish National Statistics Institute (*Instituto Nacional de Estadística* or “**INE**”)).

Any deterioration in the Spanish real estate sector could result, in particular, in lower rents received by us, a decline in occupancy rates of our properties and a decline in both the carrying values of our properties and the value at which we could dispose of them.

Any of these factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

We operate in a highly competitive industry.

The Spanish real estate sector is highly competitive and very fragmented, and new real estate companies face low barriers to entry. Competition has increased in recent years. The recent increase in competition in an already highly competitive sector can be explained by, among other reasons, the recent positive performance of the rental housing market, low interest rates, attractive yields and valuations, rising demand and an increase in the population that opts for renting instead of home-ownership. These factors, among others, have attracted the entry of new national and international investors, including significant institutional investors, which has significantly increased the competitiveness of the Spanish residential real estate sector in recent years.

Although we do not consider most of these new entrants to be direct competitors of our multi-family residential rental business (which continues to be characterized by a high degree of fragmentation and lack of a professional business model), some of them own large stocks of real estate assets ready to be sold in the market at any time, which could generate over-supply in the Spanish real estate market, put pressure on prices and make the properties attractive for acquisition, which could in turn reduce the number of people demanding properties for

rent. New homebuilders with considerable land portfolios and ambitious construction plans (such as Metrovacesa, Neinor Homes and Aedas Homes) have recently entered the market and could similarly generate over-supply in the Spanish real estate market and lead to a reduction in the number of people demanding properties for rent. Furthermore, new participants could be attracted to the residential rental market in light of its developing institutionalization.

In addition, some of the new participants in the Spanish real estate sector may compete with us in acquiring properties. Competition in identifying and acquiring properties could adversely affect our ability to implement our business and growth strategies, which could materially and adversely affect us. In particular, given the current high demand for residential real estate assets in Spain, attractive properties may be unavailable or available only on unfavorable terms. Other real estate companies may have a lower cost of funds and access to funding sources that may not be available to us. In addition, they may have higher risk tolerances or different risk assessments and may not be subject to the operating constraints associated with qualification as a SOCIMI such as the mandatory dividend distribution policy whereby we are forced to distribute at least 50% of the profits derived from the transfer of real estate properties, Qualifying Subsidiaries (as defined herein) and shares and interests in IICIs (as defined herein) provided that the transfer has been executed once the minimum holding period described in this Informational Document has expired (see “*Spanish SOCIMI Regime and Taxation Information— Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Restrictions on investments*”), which could allow them to consider a wider variety of investments. Competition may result in fewer investments, higher prices, a broadly dispersed portfolio of properties that does not lend itself to efficiencies of concentration, acceptance of greater risk, lower yields and a narrower spread of yields over our financing costs. See also “—*Acquiring properties during periods when the residential real estate market is experiencing substantial inflows of capital and intense competition may result in inflated purchase prices and increase the likelihood that our properties will not appreciate in value and may, instead, decrease in value*”. In addition, competition for desirable investments could delay the investment of our capital and the growth of our business and could prevent us from generating additional economies of scale, which could adversely affect our business, results of operations, financial condition and prospects.

Housing policies adopted in Spain or in the regions where we are present may adversely affect the Spanish real estate sector and, consequently, our Group.

Governments may employ a variety of housing policy instruments to pursue social policy objectives, such as assistance with housing costs to prevent material deprivation and, more broadly, access to affordable housing to promote social inclusion. These instruments include home-ownership subsidies, housing allowances, social rental housing and rent support and regulation.

Partly in response to rising housing prices, the Spanish government approved the terms of the 2018-2021 Housing Plan (*Plan Estatal de Vivienda*) on March 9, 2018. According to the Royal Decree governing the terms of the 2018-2021 Housing Plan, it aims to, among other things, (i) subsidize home buying for individuals aged under 35 years old by providing subsidies of up to the lesser of €10,800 or 20% of the property’s value, (ii) subsidize home rentals for individuals aged under 35 or over 65 years old and individuals in situations of unique vulnerability by providing subsidies of up to 50% of a property’s monthly rent as long as monthly rents do not exceed certain amounts, and (iii) promote rental housing by providing subsidies to home developers of up to €36,750 per newly built rental housing unit. The 2018-2021 Housing Plan will continue until 2021, but the result of the general elections scheduled to take place in 2020 may impact the continuation and budget of such plan. Each autonomous region (*comunidad autónoma*) has to implement and regulate the terms and conditions of the 2018-2021 Housing Plan in its respective region.

The 2018-2021 Housing Plan and the overall improvement of the Spanish economy may lead to changes in market preferences, including an increased interest in home ownership to the detriment of home rentals. Additionally, since subsidies for home rentals would only be granted where monthly rents do not surpass specific amounts (generally €600 or, in exceptional circumstances, €900), such subsidies may make properties in our portfolio that exceed such monthly rents less attractive. In addition, the expansion of the rental housing market as a result of the incentives for home developers under the 2018-2021 Housing Plan may increase competition in the residential rental market or otherwise adversely affect our ability to lease properties or to increase or maintain in-place rents.

Moreover, since it is likely that affordable housing will remain on the political agenda in Spain in the coming years, especially if housing prices continue to increase, additional and more drastic housing policy instruments could be deployed in the future. These may include measures such as those taken in Germany, where the

landlord-tenant relationship is subject to a significant level of statutory regulation which, for the most part, provides far-reaching social protection for tenants under residential leases. Recent tenant-friendly legislative developments in Germany include stricter rules on rent restrictions for recipients of certain public housing subsidies, restrictions on rent increases—including a cap on rents for new leases—and restrictions relating to heat contracting applicable to landlords (regulating the provision and use of heating systems by landlords). Furthermore, this legislation allows tenants to terminate existing lease contracts in certain cases of rent increases. The Spanish government or regional governments could also decide to sponsor a larger subsidized rental housing sector, in line with that of Austria or the Netherlands, where housing associations and municipalities supply dwellings at cost-rents. The implementation of any such policy or the adoption of any measure that restricts our ability to increase rent rates, pass on costs to tenants or terminate lease agreements at our election (as a result, for example, of the imposition of compulsory lease extensions at the election of the tenant) could significantly disrupt the residential rental market or otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

Furthermore, our business could be adversely affected if certain of the housing policy instruments currently deployed in Spain or in regions where we operate ceased to be deployed. In particular, tenants of certain of our properties located in Pamplona (Navarra) receive rental subsidies from the regional government. As of January 31, 2018 the passing gross rents for these subsidized properties was €171,831, of which €83,176 was subsidized by the regional government. In the absence of such subsidies, we would be more exposed to the risk of insolvency or illiquidity of our tenants and it is possible that we would have to reduce the in-place rents for such properties to keep them leased or reduce our capex investment in said properties which could reduce the perceived quality of our apartments. In addition, certain of our tenants currently benefit from the income tax allowance available to tenants aged under 35 years old. The requirements to apply the income tax allowance and the limits on the amount which may be deducted from the tenants' Personal Income Tax depend on the autonomous region (*comunidad autónoma*) where the tenant has his or her tax domicile. In particular, tenants who are tax resident in Madrid may be able to deduct from their Personal Income Tax corresponding to tax year 2017 20% of the rent paid in 2017 up to €840. If these allowances ceased to be available, affected tenants could seek to renegotiate in-place rents or opt for cheaper rental properties.

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

Acquiring properties during periods when the residential real estate market is experiencing substantial inflows of capital and intense competition may result in inflated purchase prices and increase the likelihood that our properties will not appreciate in value and may, instead, decrease in value.

The allocation of substantial amounts of capital for investment in the residential real estate market and significant competition for income-producing real estate may inflate purchase prices for such assets. To the extent we have acquired, or in the future acquire, real estate properties in such an environment, it is possible that the value of our properties may not appreciate and may, instead, decrease in value, perhaps significantly, below the amount we paid for such properties. In addition to macroeconomic and local economic factors, the decrease in the amount of capital allocated to the residential real estate market in particular and the number of investors participating in such market, could cause the value of our properties to decline, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

A significant portion of our costs and expenses are fixed and we may not be able to adapt our cost structure to offset declines in our revenue.

Many of the expenses associated with our business, such as real estate taxes, community association charges (*gastos de comunidad*), insurance, utilities, acquisition, renovation and maintenance costs, and other general corporate expenses which we do not pass on to tenants are relatively inflexible and will not necessarily decrease with a reduction in revenue from our business. Some components of our fixed assets depreciate more rapidly and require ongoing capital expenditures. Our expenses and ongoing capital expenditures are also affected by inflationary increases and certain of our cost increases may exceed the rate of inflation in any given period or market. By contrast, our rental income is affected by many factors beyond our control, such as the availability of alternative rental housing and economic conditions in our markets. In addition, our ability to increase in-place rents may be limited. See “—Risks Relating to Our Company—We may not be successful in maintaining and increasing our earnings from rentals, including as a result of our failure to retain our tenants or our inability to charge economically reasonable rents”. As a result, we may not be able to fully offset rising costs and capital spending by increasing in-place rents, which could have a material adverse effect on our results of operations

and cash available for distribution.

Investing in real estate is subject to certain inherent risks.

Revenues earned from, and the capital value of, investments in real estate may be materially adversely affected by a number of factors inherent in investing in real estate, including, but not limited to:

- (i) decrease in demand;
- (ii) relative illiquidity of assets;
- (iii) limited access to financing;
- (iv) material changes in rental or property values;
- (v) market expectations around income yields on capital values;
- (vi) illegal occupation by third parties of unoccupied assets (with the resulting need to incur legal costs in order to repossess them and the possible need for expensive repairs);
- (vii) 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, insurances, community expenses or unforeseen capital expenditures);
- (viii) incorrect repositioning of an asset in changing market conditions;
- (ix) material litigation, including judicial and non-judicial claims, including as a result of actions or omissions of third parties (such as construction workers and subcontractors);
- (x) regulatory changes which require the implementation of extraordinary acts by owners of real estate or which imply additional expenses or costs (for example, obligations to obtain energy certificates in relation to real estate assets in order to be able to lease them) or lesser revenues (for example, the implementation of further restrictions on rents); and
- (xi) the annulment (and consequent reinstatement of the previous regulatory framework) or amendment of the relevant General Urban Development Plan, which may affect a landlord's ability to engage in refurbishment works or to otherwise freely manage its property as it may lead to the annulment of certain licenses. This may adversely affect our strategy, which relies on our ability to freely manage our assets and engage in refurbishment works, among other, to capture top-tier demand and achieve premium pricings. This has been the case in certain cities throughout Spain such as Vigo, Gijón or Marbella.

While the threat posed by some of the aforementioned factors may be diminished by the relatively favorable current economic environment in Spain, the economic environment could change and, even if that is not the case, any of such factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

Real estate investments are relatively illiquid and we may be unable to sell any portion of our portfolio on favorable terms or at all.

Although our intention is to keep the properties in our portfolio for the long term, we may selectively and occasionally decide to sell one or more of our properties from time to time. In particular, in the mid-term, we intend to dispose of properties in locations with low growth and development potential and, in the long-term, we intend to selectively sell properties in attractive locations once capital appreciation has reached its expected peak level. There can be no assurance, however, that we will be able to dispose of these or other properties in the future at the time we intend to do so, on favorable terms or at all.

The real estate market in which we invest and operate is characterized by limited liquidity, which may affect our ability to change the composition of our portfolio in response to changing circumstances and, especially, to dispose of our properties. Our ability to sell portions of our real estate portfolio generally depends on the state of

investment markets and on market liquidity. In particular, a financial downturn could make it increasingly difficult for us to convert certain of our properties into cash, due to the difficulties encountered by prospective buyers to obtain financing. If we were required to sell portions of our real estate portfolio, including for the purpose of raising cash to support our operations, there is no guarantee that we would be able to sell such portions of our portfolio on favorable terms or at all.

Further, certain of our residential properties are located in buildings that are registered in the land registry as single stand-alone properties (i.e. such buildings are not structured as condominiums (*propiedad horizontal*) and therefore have not been divided into separate properties in the land registry). While we could in theory sell each building as a single property without further action, it could be difficult to find potential purchasers for entire buildings. However, if we decided to sell the properties integrated therein separately, we would have to first divide the building into individual properties in order to be able to sell the properties in condominium. While such process is relatively straightforward, it would require extra time and generate additional costs. Our inability to sell any portion of our portfolio on favorable terms or at all could have a material adverse effect on our business, results of operations, financial condition and prospects.

We could be subject to liability claims for several years after selling properties.

We sold 12 apartments (representing a GAV of €4 million) in the year ended December 31, 2017, and, while we have not sold any properties during 2018, we intend to selectively and occasionally sell properties in the future. We may also be forced to sell certain properties under certain lease agreements or if our creditors enforce their collateral. See “—Risks Relating to our Company—We may be forced to sell a portion of our portfolio on unfavorable terms”. As a result of such sales, we may be exposed to future liabilities and obligations with respect to the properties that we sell. In connection with the sale of properties, we may be required to make representations and warranties to the purchasers with respect to certain characteristics of the properties. We may also be required to provide certain guarantees or deposit amounts in escrow to the benefit of the purchasers to cover potential liabilities arising from the sale, or the purchasers may on occasion retain part of the purchase price as a guarantee. The resulting obligations would continue to exist after the sale, usually for several years. In particular, we could be subject to claims for damages from purchasers who assert that the representations we made to them were untrue, or that we failed to meet our obligations or covenants under the relevant agreement. This could lead to legal disputes or litigation with the purchasers, as a consequence of which we could be required to make payments to the purchasers and, under certain circumstances, could give rise to a right of the relevant purchaser to terminate the contract in addition to the payment of damages and the reimbursement of legal costs and expenses. To the extent that we made warranties to third parties in connection with refurbishment measures and claims are asserted against us because of defects, it is not always certain that we will have recourse against the companies that performed the work for us or, where applicable, the person that sold us the relevant property or properties. Legal disputes related to the properties we sell and any obligation to pay damages in connection therewith could have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Relating to Macroeconomic, Demographic and Political Factors

Adverse developments in general economic conditions in Spain and elsewhere may adversely affect the Group.

The activity of the Group is currently concentrated in Spain. Accordingly, the performance of the Spanish economy will affect our business, results of operations, financial condition and prospects.

The global financial system began to experience difficulties in mid-2007. This resulted in severe dislocation of financial markets around the world, including Spain, significant declines in the values of nearly all asset classes and unprecedented levels of illiquidity in capital markets. After rapid economic growth since 2004, Spain entered into a severe economic crisis which led to a gross domestic product (“GDP”) contraction between 2008 and 2013 of 8.1%, from €1,116 billion to €1,026 billion. Spain’s economy began to grow again in 2014 experiencing a GDP increase of 1.4% due to better labor market prospects, strengthened confidence, lower economic uncertainty and falling energy prices (source: Spanish National Statistics Institute (*Instituto Nacional de Estadística* or “INE”)). Real GDP expanded by 3.2%, 3.2% and 3.1% in 2015, 2016 and 2017, respectively (source: INE).

There can be no assurance that the recent growth and the general recovery of the Spanish economy will be sustained given continued uncertainties in the EU and Spanish economic and political outlook. Despite the

growth in GDP, the unemployment rate (16.5% in the fourth quarter of 2017 (source: INE)) and the fiscal deficit as a percentage of GDP (3.07% in 2017 (source: Ministry of Finance)) continue to be high in Spain. While on March 20, 2018, the Bank of Spain increased its 2018 GDP growth forecast for the Spanish economy to 2.7% (from 2.4% in December 2017), as of the date of this Informational Document, the Spanish economy continues to face challenges that may hinder its growth specially related to internal factors such as the uncertainty in relation to the Spanish government's capacity to obtain enough legislative support to pass certain laws (after the successful non-confidence vote on June 2018 that ousted the former government, the current government holds 84 seats in the 350 seat Congress a number far from that necessary to reach a majority and is likely to be challenged by the opposition, in particular, by the party of the former ousted government that holds 134 seats), as well as the uncertainty surrounding Catalonia's independence movement. See "*—Political uncertainty in Catalonia may adversely affect us*" below. In addition, the Spanish economy may be materially adversely affected by the referendum held by the United Kingdom on June 23, 2016 on continuing membership in the EU, which resulted in the decision to leave the EU. The full effects of the vote by the United Kingdom to exit the EU are impossible to predict but may result in significant market volatility and dislocation, and adversely affect the UK, European and global economy. Furthermore, other geopolitical uncertainties (including surrounding actions adopted by the U.S. administration and escalating tensions in certain regions of the world), volatility in commodity prices or a negative market reaction to central bank policies may affect the growth of the Spanish economy. These challenges may affect rental and/or capital values of real estate assets and may reduce the ability of the Group to obtain liquidity or acquire or dispose of properties and to secure or retain tenants on acceptable terms.

On the other hand, improvements in the overall economy and employment levels, greater availability of mortgage loans or the existence of improvements in the pricing and terms of mortgages could make home ownership more accessible for potential tenants who have strong credit quality and who fit our target tenant base. In addition, they could make acquisitions of properties more expensive, which could adversely affect our growth plans and our anticipated yields. Finally, the Spanish real estate sector could face a potential long-term risk if there was a meaningful cut in pensions which would derive into a loss of the purchasing power of pensioners. A lower purchasing power of pensioners would reduce their ability to pay for residential rents, thus placing downward pressure on housing rents. Furthermore, in light of this risk, future pensioners may decide to invest in residential property instead of pensions during their worklife, which would reduce our potential tenant base.

Any of these factors could have a material adverse effect on our business, results of operations, financial condition and prospects.

The current economic environment is characterized by low interest rates and any rise in interest rates could have material adverse effects on the Spanish real estate market and on us.

Although the economic environment has been characterized by low interest rates in recent years, interest rates are expected to increase in the short to medium term, including as a result of the normalization of the U.S. and EU monetary policies. The U.S. Federal Reserve raised the federal funds rate by 25 basis points to a target range of 1.25%-1.50% at its December 2017 Federal Open Market Committee meeting and raised it again by 25 points in March 2018 to a target range of 1.50%-1.75%. The ECB is expected to first focus on unwinding its quantitative easing program before increasing interest rates with increases currently expected to initially take place in late 2019.

Rising interest rates could adversely impact us in a number of ways, including adversely affecting the valuation of our properties and impacting the interest rates that we must pay under our indebtedness. See "*Operating and Financial Review—Factors Affecting Our Financial Condition and Results of Operations—Impact of interest rate changes and cost of financing*" and "*—Risks Relating to our Company—We face certain risks related to fluctuations of interest rates*". In addition, when a rise in interest rates is the result from an improvement in the economic environment, as is currently the case, this could increase investor interest in investments with a higher risk profile than ours and decrease their interest in real estate investments in general or residential properties in particular and, therefore, in our ordinary shares. Residential properties typically return lower yields than commercial properties (such as offices, shopping centers, retail units and others) and are therefore more exposed to interest rate fluctuations. Moreover, given the relatively slim spread between the yields of our properties and our current financing costs, increases in interest rates could make it particularly difficult for us to raise additional equity capital, in which case we may have to rely more heavily on debt financing.

Any increase in interest rates could have a material adverse effect on our business, results of operations, financial condition and prospects.

Changes in demographic patterns and ownership tendencies may adversely affect demand for our properties.

Long-term housing demand is directly related to, inter alia, population growth and the rate of new household formation. However, the population in Spain, which growth was one of the main drivers of the real estate boom that ended in 2007, has steadily decreased since 2012. According to the INE, the population in Spain will continue to decrease in coming years from 46.4 million in 2016 to 45.9 million in 2030/2031 and 44.1 million in 2051 (source: INE).

In the past, our business has benefited from favorable demographic trends, with Spanish average household size converging toward European averages (from 2.7 members per household in 2006 to 2.5 members in 2016) and macroeconomic forecasts seem to suggest that these favorable trends will continue, with household growth expected to exceed population growth (sources: Eurostat, INE), and with the expected 2016-2031 average household growth of the regions where we are present, weighted by the distribution of our GAV being in between 124% and 159% of the Spanish expected average household growth (source: Bank of Spain, INE). While these forecasts and trends seem to favor us, we cannot guarantee that housing demand will effectively increase. A decrease in housing demand due to population decrease (including as a result of changes in foreign and intra-country immigration trends), lower levels of household formation (including as a result of a decrease in the divorce rate) and other demographic changes in the regions where we operate could adversely affect demand for our properties and, therefore, rental and property values, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Political uncertainty in Catalonia may adversely affect us.

Properties in our portfolio representing approximately 4.8% of our GAV and 4.6% of our GRI as of December 31, 2017 are located in Catalonia. Additionally, assuming all properties are acquired, properties in the BuildingCenter Portfolio representing approximately 5.8% of our GAV/purchase price and 5.7% of our GRI are located in Catalonia. Tensions between the Spanish government and the former government of Catalonia escalated as a result of the contentious referendum on independence organized by the former government of Catalonia for October 1, 2017. The Spanish constitutional court determined that this referendum was illegal. Notwithstanding the above, on October 27, 2017 the former Parliament of Catalonia unilaterally declared independence from Spain, and the Spanish Senate approved actions proposed by the Spanish government to invoke Article 155 of the Spanish Constitution and assume direct control over some of Catalonia's autonomous powers. The Spanish government removed the former Catalan president, Carles Puigdemont, and his cabinet and called new Catalan elections carried out on December 21, 2017, which resulted in pro-independence parties winning the majority of seats. As of the date of this Informational Document, while a new government has been formed, there is still significant uncertainty regarding the outcome of political and social tensions in Catalonia, which could result in changes in legislation, policies and other factors which could significantly impact the environment in which we operate in Catalonia and Spain as a whole and, in particular, the economic growth and investor confidence in the region, all of which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Relating to the Shares and the Listing

After the Listing, certain of our shareholders will continue to be able to exercise significant influence over us, our management and our operations.

As of the date of this Informational Document, the Santander Entities, the BBVA Entities, Acciona and Merlin Properties hold 37%, 25%, 20% and 17% of our issued share capital, respectively. As a result, such shareholders may be able to exercise significant influence over our management and operations and over our shareholders' meetings, such as in relation to the payment of dividends, mergers or other business combinations, the acquisition or disposal of substantial assets, the issuance of equity or other securities and the appointment of the majority of the directors to our board of directors. We cannot assure you that the interests of these shareholders will coincide with the interests of purchasers of the Shares.

In particular, significant ownership of the Santander Entities, the BBVA Entities, Acciona or Merlin Properties may: (i) delay or deter a change of control of our Company, including deterring a third party from launching a tender offer for our Company, (ii) deprive our shareholders of an opportunity to receive a premium for the ordinary shares they own as part of a sale of our Company and (iii) affect the liquidity of the ordinary shares, each of which could have a material adverse effect on the market price of our ordinary shares.

Furthermore, we have engaged in prior related-party transactions in the past and may engage in these transactions in the future. While all related party transactions carried out during 2016, 2017 and the three months ended March 31, 2018 have been carried out on arm's length terms within the ordinary course of our business, should this not be the case in the future such transactions may have a material adverse effect on our business, results of operations, financial condition and prospects.

Moreover, the Significant Shareholders are party to a Shareholders' Agreement which imposes certain restrictions on their transfer of our ordinary shares both prior to the admission to listing of our shares in the Spanish Stock Exchanges and during the 18-month period following the date of the admission to listing of our shares in the Spanish Stock Exchanges. In particular, the Shareholders' Agreement provides for the following transfer restrictions:

Prior to the completion of an offering and admission to listing of our Shares on the Spanish Stock Exchanges:

- (i) The following transfers of Shares shall be free from any restriction:
 - (a) Transfers between entities of the same Group.
 - (b) Third-party transfers provided the percentage of Shares held by the acquiror after the acquisition remains below 3%.
 - (c) Transfers made pursuant to the offering for the admission to trading of the Shares on the Spanish Stock Exchanges.
- (ii) The remaining transfers of Shares shall be subject to the following restrictions:
 - (a) Right of first offer of the other Selling Shareholders.
 - (b) Tag-along right which may be exercised totally or partially when, as a consequence of the envisaged transfer, the acquiror holds over 50% of the Company's share capital.
 - (c) Preferential acquisition rights which may be exercised when the transfer of Shares implies that the shareholdings of the transferor fall beneath 60% of its actual holding provided that the transferee does not adhere to the Shareholders Agreement.

For a period of 18 months following the date of the offering of our Shares in the Spanish Stock Exchanges:

- (i) Any transfer of ordinary shares in a single trading session in the Spanish Stock Exchanges by the same Significant Shareholder, or its affiliates, shall not exceed 20% of the average daily trading volume in the last 15 previous sessions.
- (ii) Should one of the Significant Shareholders promote private placements to a plurality of investors of more than 2.5% of our share capital, the other Significant Shareholders shall have the right to also participate in such private placement. However, such other Significant Shareholders will only be entitled to offer, in the context of such private placement, a number of ordinary shares that shall not exceed, in respect of their corresponding holdings, the proportion which the ordinary shares offered by the promoting Significant Shareholder bear to such promoting Significant Shareholder's total holding. Once said private placement has been completed, no Significant Shareholders (regardless of their participation in the placement) may promote any new private placement in the following three months.

These restrictions may contribute to such Significant Shareholders retaining their respective shareholdings in our Company throughout such period. For additional information on the Shareholders' Agreement, see "Significant Shareholders—Shareholders' agreement".

Except for the post-offering share transfer restrictions summarized above, the Shareholders' Agreement will terminate upon completion of an offering and admission to listing of our Shares the Spanish Stock Exchanges. However until such termination date, in addition to the share transfer restrictions, the Shareholders' Agreement limits the scope of our investments and pursuant to such agreement, if we were to fail to conduct an initial public offering of our ordinary shares and have them quoted on the Spanish Stock Exchanges by September 21, 2022, Acciona would be entitled to require the redemption of the ordinary shares of our Company that it subscribed for in September 2017 and the return of its contribution of certain real estate assets and the interests held in some

real estate companies to the Company, in particular, Coto which is one of our main assets. See “*Related Party Transactions— Transactions with the Significant Shareholders—Acciona Investment Agreement*”.

Consequently, the provisions of the Shareholders’ Agreement could have a material adverse effect on our business, results of operations, financial condition and prospects.

Substantial future sales of our ordinary shares, or the perception that such sales might occur, could impact their trading price.

Sales of substantial amounts of our ordinary shares, or the perception that such sales might occur, may adversely affect the prevailing trading price of our ordinary shares.

Upon completion of the Listing, the Santander Entities, the BBVA Entities, Acciona and Merlin Properties are expected to own approximately 37%, 25%, 20% and 17% of our issued share capital, respectively. The Shareholders’ Agreement to which these shareholders are party imposes certain restrictions on their transfer of ordinary shares of our Company such restrictions are subject to exceptions and may be waived or amended by such shareholders. In this regard, as these restrictions end or are waived, the market price of our ordinary shares could drop significantly if any of such shareholders sells ordinary shares of our Company or is perceived by the market as intending to sell them. For additional information on the Shareholders’ Agreement, see “*Significant Shareholders—Shareholders’ agreement*”.

In the future, we may also issue ordinary shares if we need to raise additional capital or in connection with acquisitions. The number of ordinary shares issued in connection with a financing or acquisition could constitute a material portion of our then-outstanding ordinary shares. In addition to having an adverse impact on the trading price of our ordinary shares, if a share capital increase or the issue of any instruments convertible into new shares of our Company was approved excluding pre-emption rights, the issuance of new shares may also be dilutive to our existing shareholders.

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.

The trading price of our ordinary shares may fluctuate in response to various factors, many of which are outside our control.

There is no assurance that the price upon admission to Listing of our Shares will be indicative of the future price of our ordinary shares. Following the Listing, the price of our ordinary shares may not always accurately reflect the underlying value of our business. Therefore, the price and value of our ordinary shares may decrease as well as increase, and investors may realize less than the original sum invested. The value of our ordinary shares may, in addition to being affected by our actual or forecast operating results, fluctuate significantly as a result of a large number of factors, some specific to us and our operations and some, such as those which may affect homebuilding companies, which are outside our control, and may negatively impact the market price of our ordinary shares irrespective of our financial conditions and results of operations, including, among others:

- (i) change in the financial performance of our Company, our peers or the industry;
- (ii) changes in law, rules and regulations applicable to us and our operations in Spain;
- (iii) the general economic, social and political environment in Spain; and
- (iv) fluctuations in the capital markets.

Furthermore, during the past few years, the real estate sector and, in general, the securities markets in Spain and

worldwide have experienced significant volatility in prices and trading volumes. Such volatility in the future could have a negative impact on the market price of our ordinary shares, irrespective of our financial condition and results of operations.

There can be no assurance that we will declare 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 our 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 “*Spanish SOCIMI Regime and Taxation Information—Mandatory dividend distribution*”), the Board of Directors’ or management’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 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.

Our assets could be deemed to be “plan assets” that are subject to certain requirements of ERISA and/or section 4975 of the Code, which could restrain us from making certain investments.

Under the current Plan Asset Regulations (as defined herein), if interests held by benefit plan investors (i.e., employee benefit plans or other plans subject to Title I of ERISA or Section 4975 of the Code, or by any entity or arrangement whose underlying assets could be deemed to include “plan assets” by reason of any such employee benefit plan’s or plan’s investment therein for purposes of such provisions of ERISA or Section 4975) are deemed to be “significant” within the meaning of the Plan Asset Regulations (broadly, if benefit plan investors hold 25% or greater of any class of equity interest in us), then our assets may be deemed to be “plan assets” within the meaning of the Plan Asset Regulations. We will be unable to monitor whether benefit plan investors acquire our ordinary shares and therefore, there can be no assurance that benefit plan investors will never acquire them. If our assets were deemed to constitute “plan assets” within the meaning of the Plan Asset Regulations, certain transactions that we may enter into in the ordinary course of business and operation may constitute non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the Code, resulting in the imposition of excise taxes and penalties under ERISA or the Code. In addition, any fiduciary of a benefit plan investor or a governmental, church, non-US or other plan which is subject to Similar Law (as defined herein) that is responsible for such plan’s investment in our Shares could result in ERISA fiduciary violations or violations of such Similar Law.

We may take measures which may affect certain investors in order to avoid any adverse effects to us or our shareholders resulting from the application of laws and regulation relating to our SOCIMI Regime or pension funds or benefit plans (such as ERISA).

Our by-laws contain certain information obligations with respect to shareholders or beneficial owners of our ordinary shares who are subject to a special legal regime applicable to pension funds or benefit plans (such as ERISA). Moreover, we will have the ability to request from any shareholder or beneficial owner of our Shares such information as we consider necessary or useful to determine whether any such person is subject to a special legal regime applicable to pension funds or benefit plans. Furthermore, according to our by-laws, we will be able to take any measures we deem appropriate to avoid any adverse effects to us or our shareholders resulting from the application of laws and regulation relating to pension funds or benefit plans (in particular, ERISA). The purpose of these provisions is to provide us with the ability to minimize the risk that benefit plan investors (or other similar investors) hold 25% or greater of any class of equity interest in us. However, no assurance can be given that our assets will not be deemed to constitute “plan assets” within the meaning of the Plan Asset Regulations in the future.

In addition, if a dividend payment is made to a Substantial Shareholder, we will be entitled to deduct an amount equivalent to the tax expenses incurred by us on such dividend payment from the amount to be paid to such Substantial Shareholder. See “—*Risks Relating to our Company—We may become subject to additional taxes if we pay a dividend to a Substantial Shareholder which may in turn reduce our profits. Additionally, dividend payments to Substantial Shareholders may be subject to deductions*”.

Passive Foreign Investment Company

The Company's status as a "passive foreign investment company" (a "PFIC") within the meaning of Section 1297 of the Code will depend primarily on the extent to which the Company's lease revenue from its properties is considered to be active rental income under the Code and the Treasury regulations thereunder. Based upon the manner in which the Company currently operates its business and certain management estimates, the Company believes it reasonable for U.S. Holders to take the position that the Company's lease revenue from its properties constitutes active rental income. Assuming that this position is upheld, the Company does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, there are substantial uncertainties as to how to apply the active rental income exception to the Company's situation and the Internal Revenue Service or a court may disagree with the position described above. If the Company is a PFIC for any taxable year, U.S. Holders will be subject to adverse U.S. federal income tax consequences. U.S. Holders should consult their tax advisers concerning the Company's potential PFIC status and the potential application of the PFIC rules, see "*Spanish SOCIMI Regime and Taxation Information—Certain U.S. Federal Income Tax Considerations*".

We may not impose restrictions on the free transferability of our ordinary shares and the acquisition of ordinary shares by certain investors could adversely affect us.

Under Spanish law, we may not impose restrictions on the free transferability of our ordinary shares in our by-laws. Accordingly, we cannot refuse to register a transfer of any shares in our capital 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 us to be required to register as an "investment company" under the U.S. Investment Company Act of 1934 or to lose an exemption or status thereunder to which we might otherwise be entitled; (ii) cause us to be required to register under the Exchange Act or any similar legislation; (iii) cause us not to be considered a "foreign private issuer" as such term is defined in rule 3b-4(c) under the Exchange Act and cause us to be considered instead as a U.S. domestic issuer (which could, if certain conditions are met, require us to comply with U.S. proxy rules for communication with shareholders or result in the imposition of more stringent requirements when offering securities); (iv) result in a person holding shares in violation of the transfer restrictions set forth in any offering document published by us (including in this Informational Document), from time to time; (v) result in any shares being owned, directly or indirectly, by benefit plan investors or any person (other than a benefit plan investor) that has discretionary authority or control with respect to our assets or that provides investment advice for a fee (direct or indirect) with respect to our assets or an "affiliate" (within the meaning of the Plan Asset Regulations) of such a person; (vi) cause our assets to be considered "plan assets" under the Plan Asset Regulations; (vii) cause us to be a "controlled foreign corporation" for the purposes of the Code and subject us to taxation in the United States; (viii) result in our 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 by-laws is or is subsequently shown to be false or misleading; (ix) result in a person becoming a Substantial Shareholder, or (x) otherwise result in us 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 our business, results of operations, financial condition and prospects.

Overseas shareholders may have only limited ability to bring actions or enforce foreign judgments against us or our directors.

The ability of an overseas shareholder to bring an action or enforce a foreign judgment against us may be limited under law. We are a *sociedad anónima* incorporated in Spain and all our assets are located in Spain. The rights of holders of our ordinary shares are governed by Spanish law and by our by-laws. These rights differ in certain respects from the rights of shareholders in comparable U.S. corporations and some other non-Spanish corporations. In addition, all of our directors and executive officers are residents of Spain and a substantial part of their assets are located in Spain. Consequently, it may not be possible for an overseas shareholder to effect service of process upon us or our directors and executive officers within the overseas shareholder's country of residence or to enforce against us or our directors or executive officers 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 our directors or executive officers 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 our directors or executive officers in any original action based solely on foreign securities laws brought against us or our directors or executive officers in a court of competent jurisdiction in Spain or other countries.

An investor whose currency is not the euro is exposed to exchange rate fluctuations.

Our assets 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.

CERTAIN TERMS AND CONVENTIONS

As used herein, the following terms shall have the meanings indicated, except as otherwise indicated or unless context otherwise requires:

“2017 Consolidated Financial Statements” means our audited consolidated financial statements as of and for the year ended December 31, 2017 (including comparative unaudited financial information as of and for the three months ended December 31, 2016 (since our merger with the residential business spun-off of Metrovacesa in October 2016)); which have been audited by Deloitte, S.L., who have issued an unqualified opinion for the aforementioned audited consolidated financial statements.

“Acciona” means Acciona Real Estate, S.A.

“Acciona Investment Agreement” means the agreement we entered into with Acciona on July 27, 2017, for the purpose of regulating, amongst others, the terms and conditions of Acciona’s contribution to the Company of certain real estate assets and the interests held in some real estate companies. See *“Related Party Transactions—Transactions with the Significant Shareholders—Acciona Investment Agreement”*.

“Additional BuildingCenter Parking Spaces” means the six additional parking spaces of a building included in the BuildingCenter Portfolio that we acquired on June, 21 2018 from BuildingCenter, S.A.U. for a purchase price of €24,356.58.

“Adjusted Rental EBITDA” means EBITDA plus any extraordinary or one-off expenses incurred during the period.

“Annualized Gross Rental Income” or **“GRI”** means passing monthly gross rents multiplied by 12, without any further adjustment.

“APMs” means alternative performance measures.

“BBVA” means Banco Bilbao Vizcaya Argentaria, S.A.

“Banco Santander” means Banco Santander, S.A.

“BBVA Entities” means Banco Bilbao Vizcaya Argentaria, S.A., UNNIM Sociedad para la Gestión de Activos Inmobiliarios, S.A., and Anida Operaciones Singulares, S.A.

“Binding Offer” means the binding offer submitted by the Company in July 2018 for the acquisition of 564 units located in the southern region of Madrid for a total amount of €68 million, which forms part of our current investment pipeline.

“Board of Directors” means the board of directors of the Company.

“BuildingCenter Portfolio” means the portfolio of 1,458 apartments we agreed to acquire under the New Portfolio Purchase Agreement (as defined herein). See *“Business—BuildingCenter Portfolio”*.

“Consolidated Financial Statements” means the 2017 Consolidated Financial Statements together with the Unaudited Interim Condensed Consolidated Financial Statements.

“Coto” means Compañía Urbanizadora del Coto, S.L. or the real estate assets held by Compañía Urbanizadora del Coto, S.L. as the context may require.

“EBITDA” means NRI minus personnel expenses minus overhead costs (i.e., other operating expenses excluding non-recoverable expenses on leased properties. as presented and reported in our Consolidated Financial Statements).

“ESMA” means the European Securities and Markets Authority.

“EU” means the European Union.

“EURIBOR” means the Euro Interbank Offered Rate.

“ERISA” means the Employment Retirement Income Security Act of 1974.

“**ERV**” means the estimated market rental value of our properties as determined by Savills and detailed in the Valuation Report.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended.

“**FFOI**” means adjusted rental EBITDA plus interests received minus interest paid and income tax payments for the periods presented and as reported in the consolidated cash flow statement in our Consolidated Financial Statements.

“**GAV**” means the market value of the assets in our portfolio at the given date as defined in the Valuation Report regarding the property portfolio.

“**GLA**” means the total aggregate gross leasable area of our residential and our commercial properties.

“**LTV**” means Net Financial Debt divided by our GAV.

“**MAR**” means Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse.

“**Merlin Properties**” means Merlin Properties SOCIMI, S.A.

“**Merlin Services Agreement**” means the agreement we entered into with Merlin Properties on October 20, 2016, for the provision of advisory, planning and strategic management services by the latter to us. See “*Related Party Transactions—Transactions with the Significant Shareholders—Transactions with Merlin Properties—Merlin Services Agreement*”.

“**NAV**” means the total equity attributable to owners of the Company.

“**Net Financial Debt**” non-current bank borrowings plus current bank borrowings less ancillary costs, plus interest on debt, plus financial derivatives, less cash and cash equivalents and other current financial assets as reported in the balance sheet of our Consolidated Financial Statements.

“**Net Rental Income**” or “**NRI**” means rent revenues minus non-recoverable expenses of the leased properties as reported in our Consolidated Financial Statements.

“**New Portfolio Purchase Agreement**” means the agreement we entered into with BuildingCenter, S.A.U., the real estate subsidiary of CaixaBank, S.A., to acquire a portfolio of 1,458 apartments for an aggregate purchase price of approximately €27 million subject to the fulfilment of certain conditions precedent.

“**Passing gross rents**” means the passing monthly rent, under the Company’s lease agreements in force and receivable as at the end of the relevant month.

“**Passing gross residential rents**” means the passing monthly residential rent under the Company’s lease agreements in force and receivable as at the end of the relevant month.

“**Rented residential GLA**” is the residential GLA that, for the relevant period, has been rented to a tenant pursuant to the corresponding lease agreement.

“**Residential GLA**” means the gross leasable area of our apartments that corresponds to the aggregate constructed surface (*superficie construida*) of our apartments as reported in the Spanish Cadastral Registry or the Spanish Property Registry (*Registro de la Propiedad*), as applicable that includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.

“**RICS**” means The Royal Institution of Chartered Surveyors.

“**Santander Entities**” means Banco Santander, S.A., LURI6, S.A.; LURI4, S.A. en liquidación; Altamira Santander Real Estate, S.A.; Banco Popular Español, S.A.; and Banco Pastor, S.A.U.

“**Savills**” means Savills Consultores Inmobiliarios, S.A., external independent real estate appraiser with business address in José Abascal, 45, 28003 Madrid.

“**Significant Shareholders**” means Banco Santander, BBVA, Merlin Properties and Acciona.

“**Spanish Lease Act**” means Law 29/1994, of November 24, on urban leases (*Ley de Arrendamientos Urbanos*) effective as of January 1, 1995.

“Unaudited Interim Condensed Consolidated Financial Statements” means our unaudited interim condensed consolidated financial statements as of and for the three-month period ended March 31, 2018 (including comparative unaudited financial information for the three months ended March 31, 2017); which have been subject to a limited review by Deloitte, S.L. and prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting.

“Underwriters” means the Joint Global Coordinators, the Joint Bookrunners, the Co-Bookrunners, Banco Sabadell and CaixaBank.

“Vacancy rate” means non-rented residential GLA divided by residential GLA.

“Valuation Report” means the valuation report prepared by Savills with respect to our residential portfolio as at December 31, 2017.

“Spanish GAAP” means the Spanish Accounting Plan approved by Royal Decree 1514/2007, of 16 November, and the amendments thereto introduced by Royal Decree 602/2016, of 2 December.

All references to “Testa” and “Company” in this Informational Document are to “Testa Residencial SOCIMI, S.A.” All references to “we,” “us,” “our” or “Group” are to the Company and its consolidated subsidiaries, unless otherwise indicated or the context otherwise requires.

All references to “Spain” are to the Kingdom of Spain, and all references to “United States” or “U.S.” herein are to the United States of America.

Unless otherwise specified herein or the context otherwise requires, all references in this Informational Document to “euros” and “€” are to the common lawful currency of the member states participating in the third stage of the European Economic and Monetary Union, including Spain, and all references in this Informational Document to “U.S.\$,” “dollars” and “U.S. dollars” are to United States dollars, the official currency of the United States.

IMPORTANT INFORMATION

Declaration of Responsibility

Mr. Wolfgang Beck, acting in the name and on behalf of the Company, in his capacity as authorized representative of the Company pursuant to the resolution of its Board of Directors passed on July 16, 2018, which in turn acted on the basis of the resolution of the Company's shareholders' meeting passed on the same day, assumes, on behalf of the Board of Directors of the Company, responsibility for the information contained in this Informational Document, which also contains all required information pursuant to the Appendix of MAB Circular 9/2017. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of his knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Financial Information

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 an annex in this Informational Document:

- (i) Our unaudited interim condensed consolidated financial statements as of and for the three-month period ended March 31, 2018 (including comparative unaudited financial information for the three months ended March 31, 2017); which have been subject to a limited review by Deloitte, S.L. and prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting (the **"Unaudited Interim Condensed Consolidated Financial Statements"**).
- (ii) Our audited consolidated financial statements as of and for the year ended December 31, 2017 (including comparative unaudited financial information as of and for the three months ended December 31, 2016 (since our merger with the residential business spun-off of Metrovacesa in October 2016)); which have been audited by Deloitte, S.L., who have issued an unqualified opinion for the aforementioned audited consolidated financial statements (the **"2017 Consolidated Financial Statements"** and together with the Unaudited Interim Condensed Consolidated Financial Statements the **"Consolidated Financial Statements"**).
- (iii) Our audited individual financial statements as of and for the year ended December 31, 2017; which have been audited by Deloitte, S.L., who have issued an unqualified opinion for the aforementioned audited consolidated financial statements (the **"2017 Individual Financial Statements"**).
- (iv) Our audited individual financial statements as of and for the year ended December 31, 2016; which have been audited by Deloitte, S.L., who have issued an unqualified opinion for the aforementioned audited consolidated financial statements (the **"2016 Individual Financial Statements"**).

The Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards as adopted by the EU (**"IFRS-EU"**) while the 2016 Financial Statements were prepared in accordance with Spanish GAAP.

English translations of the Unaudited Interim Condensed Consolidated Financial Statements and the 2017 Consolidated Financial Statements of the Company, originally issued in Spanish are also available included as an annex to this Informational Document. In case of any discrepancy, the Spanish versions shall prevail

Such information is not comparable from period to period due to the changes in the size and composition of our portfolio, and in the case of the 2016 information included in our 2017 Consolidated Financial Statements, also due to the fact that such information only comprises the three-month period subsequent to our reverse merger with the residential business unit of Metrovacesa in October 2016 (which, from an accounting perspective, was deemed to be the "acquirer" in the merger, and in respect of which there was no separate historical financial information for any prior period).

For additional information on the impact of our reverse merger and integration of integration of Metrovacesa's residential business, see Notes 2.4 and 3 to the 2017 Consolidated Financial Statements. See also *"Risk*

Factors—Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Informational Document —Investors in our Company will have limited financial information to assist them in evaluating the prospects of our Company and the related merits of an investment in the Shares”.

Currency References

Unless otherwise indicated or otherwise required by the context, all references in this Informational Document to “euro,” “€” “EUR” or “eurocent” are to the lawful currency of the member states of the EEA, including Spain, in the third stage of European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time and all references to “U.S. dollars”, “dollars”, “U.S.\$”, “USD” or “\$” are to the lawful currency of the United States of America.

Rounding

Certain numerical figures included herein have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding. Further, certain percentages shown in the charts in this Informational Document reflect calculations based upon the underlying information prior to rounding off and, accordingly, may not conform exactly to the percentages that would result if the relevant calculation were based upon the rounded off figures. As used in this Informational Document, the term “billion” means one thousand million (1,000,000,000).

Alternative Performance Measures

This Informational Document contains certain management measures, which are used to evaluate our Group’s overall performance, such as: Gross Rental Income (also referred to as “**GRI**”), Annualized Gross Rental Income, Adjusted Rental EBITDA, Net Financial Debt and EPRA NAV (each as defined in “*Operating and Financial Review—Alternative Performance Measures*”). These management measures are not audited, reviewed nor subject to a pro forma review by our Group’s independent auditors and are not measurements required by, or presented in accordance with, IFRS-EU. These management measures are not measurements of our financial performance under IFRS-EU and should not be considered as alternatives to the information we include in the Consolidated Financial Statements or to any performance measures prepared in accordance with IFRS-EU. Many of these management measures are based on our internal estimates, assumptions, calculations and expectations of future results, and there can be no guarantee that these results will actually be achieved. Furthermore, these management measures, as we define and calculate them, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such information in isolation, as alternatives to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of our Group’s profitability or liquidity. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU.

Investors are advised to review them in conjunction with the Consolidated Financial Statements included as an annex to this Informational Document. Accordingly, investors are cautioned not to place undue reliance on these management measures.

We believe that the description of these management measures that constitute Alternative Performance Measures (“**APMs**”) follows and complies with the “European Securities and Markets Authority Guidelines on Alternative Performance Measures” dated October 5, 2015.

Market and Industry Data

Certain of the market, market share, industry and certain other data contained in this Informational Document have been taken from, or based upon, industry reports and other sources named in the sections of this Informational Document entitled “*Business*”. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. We believe that these industry publications, surveys and forecasts are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness and certain of this information, including market studies, are frequently based on information and assumptions which may not be exact or appropriate, and their methodology is by nature forward-looking and speculative.

Where information contained in this Informational Document has been sourced from a third party, we and our directors confirm that such information has been accurately reproduced and, so far as we are aware and have been able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information in this Informational Document has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information.

This Informational Document also contains estimates of market data and information derived therefrom which cannot be gathered from publications by market research institutions or any other independent sources. We have prepared such information based on third-party sources and our Group's own internal estimates. While we believe that these estimates of our Group's competitive position and market share are helpful in order to give investors a better understanding of our Group's position within the industry in which we operate, in many cases there is no publicly available information supporting such estimates. Although we believe that our Group's internal market observations are reliable, our Group's own estimates are not reviewed or verified by any external sources. Accordingly, investors are cautioned not to place undue reliance on such estimates. Whilst we are not aware of any misstatements regarding the industry, market share or similar data presented in this Informational Document, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the heading "Risk Factors" in this Informational Document.

Valuation

At our request, Savills Consultores Inmobiliarios, S.A. ("**Savills**"), external independent real estate appraiser with business address in José Abascal, 45, 28003 Madrid, has prepared a valuation report (the "**Valuation Report**") with respect to our residential portfolio as at December 31, 2017.

From December 31, 2017 until the date of this Informational Document we have entered into the New Portfolio Purchase Agreement (as defined herein), under which we have agreed to acquire 1,458 apartments subject to the fulfilment of certain conditions precedent. For additional information, see "*Business— BuildingCenter Portfolio*". The properties to be acquired (subject to the fulfilment of the relevant conditions precedent) under the New Portfolio Purchase Agreement are not covered by the Valuation Report. As of the date of this Informational Document, and after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments (of the total 1,458 apartments that comprise the BuildingCenter Portfolio) for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement (see "*Business—BuildingCenter Portfolio*"). In addition, on June 21, 2018, we purchased the Additional BuildingCenter Parking Spaces (see "*Business— Additional BuildingCenter Parking Spaces*").

Savills has authorized the inclusion of the Valuation Report in this Informational Document and has accepted responsibility for its content *vis-à-vis* its addressees. Therefore, the Valuation Report is annexed to this Informational Document as **Annex I**.

The valuations in the Valuation Report are based on Savills' estimate of the market prices that could be obtained for our assets at the date of the valuation, *i.e.*, December 31, 2017. However, the valuation of property is inherently subjective due to the individual nature of each property. The Valuation Report has been prepared by Savills on the basis of certain information we provided to Savills, which was not independently verified. See "*Risk Factors—Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Informational Document — The Valuation Report and/or additional existing or future valuation reports could incorrectly assess the value of our properties*".

Savills has applied two main different valuation methodologies depending on the level of ownership in a building: the investment methodology (in the buildings where the subject property accounts for 100% of the condominium ownership) and the liquidation methodology (in the buildings where the subject property does not correspond to 100% of the condominium ownership). In each case, the methodology applied is neutral with regards to the valuation end result, *i.e.*, the market value of a given property is not contingent on the methodology applied. In addition to these two main approaches, which account for most of our portfolio, Savills has adopted a direct comparison methodology to one rustic land plot we own, a discounted cash flow valuation model to value four short term properties in which we hold surface rights and a discounted cash flow valuation model to value our Bentaberri property. The following table explains and details key valuation drivers and assumptions using by the aforementioned methodologies for our residential properties:

Investment Methodology (55% of total GAV)

- **Criteria:** 100% of the condominium property ownership.
- **Methodology:** Assumes a long-term investment horizon, forecasting a rental income for a 10 year cash flow and an exit value derived through a net rental income yield. Additionally, cross-checks of implied capital values are made with market references.

Liquidation Methodology (45% of total GAV)

- **Criteria:** less than 100% of the condominium property ownership and certain social housing regime properties.
- **Methodology:** Assumes the liquidation of individual units once a contract expires (either free-rent or social housing regime) and the unit becomes vacant.

Key valuation drivers	Main assumptions
Rental income	<ul style="list-style-type: none"> • Current agreed rents until expiration of contract. • Upon expiry: (i) free rent contracts are repriced at ERV and (ii) social housing regime contracts are repriced up to the rent allowed by applicable regulations (see “<i>Regulation</i>”) and at ERV once the protection period expires. • Existing rents and ERV are grown annually by CPI (Y1: 2.1%; Y2: 1.5%; Y3: 1.7%; Y4: 1.8%; Y5: 1.9% and 2% thereafter).
Vacancy period	<ul style="list-style-type: none"> • <u>Vacant units</u>: 3-9 months to find a tenant in the market. • <u>Occupied units</u>: 1-9 months to find tenant upon contract expiry.
Operating expenses and capex	<ul style="list-style-type: none"> • <u>Opex</u>: in line with current figures + 3-5% GRI management fee (c.€15/unit/mont). • Maintenance Capex: €10/sqm/year. • Operating costs grow at inflation.
Discount rate	<ul style="list-style-type: none"> • 5.0-7.0% unlevered (5.4% weighted average).
Exit yield	<ul style="list-style-type: none"> • 3.0-5.5% net rental yield range (3.8% weighted average).

Key valuation drivers	Main assumptions
Rental income	<ul style="list-style-type: none"> • Contractual rents indexed annually to CPI until expiration of contract. • No rental income following date of first expiry date.
Selling price and rhythm	<ul style="list-style-type: none"> • Sale prices based on market rates (capital values) derived from comparable properties. • Sales price includes CPI growth and no housing price appreciation. • Marketing period varies between 1-24 months after the contract expires.
Operating expenses and capex	<ul style="list-style-type: none"> • In line with investment methodology.
Discount rate	<ul style="list-style-type: none"> • 4.0-7.5% unlevered (5.6% weighted average).

Investment Methodology

Market	Discount rate (%)	Exit Yield (%)
Premium	5.41%	3.81%
Core	6.10%	4.35%
Non Core	5.67%	4.00%
Total	5.51%	3.89%

Liquidation Methodology

Market	Discount rate (%)	Exit Yield (%)
Premium	5.71%	n/a
Core	5.72%	n/a
Non Core	6.15%	n/a
Total	5.71%	n/a

In relation to our retail properties, we use similar assumptions, including the same criteria in relation to the application of the investment or liquidation methodologies to value our properties. Retail properties have higher exit yields and discount rates for both methodologies due to the nature and prevailing market conditions for this type of properties.

The value of the properties in the Valuation Report has been assessed on the basis of market value as it is defined by the latest edition of the Royal Institution of Chartered Surveyors Valuation Professional Standards: *“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”*.

According to such methodology, the aggregate market value of the assets included in the Valuation Report is €2,275,521,000, segmented by metropolitan region and market segment as follows (for the criteria used to segment our portfolio, see *“Business—Our Portfolio—Portfolio in Detail—Portfolio Segmentation”*):

Metropolitan Region/Market	Market Value as of December 31, 2017 (in thousands of euros)
Madrid	1,450,135
Andalucía	10,363
Palma de Mallorca	62,048
Las Palmas de Gran Canaria	66,896
Barcelona	93,855
Valencia	34,584
Pamplona	46,016
Total Premium Market	1,763,897
Oviedo	34,875
Toledo	53,507
Valladolid	42,212
Valencia	56,286
Galicia	39,168
San Sebastián	164,704
Total Core Market	390,752
Total Non-Core	120,872
TOTAL	2,275,521

Moreover, the aggregate ERV of the properties indicated in the Valuation Report of approximately €97.9 million (€9.90 per square meter) assumes that the portfolio had an occupancy rate of 100%. The Valuation Report includes an additional aggregate ERV for occupied properties of €88.1 million in contrast to our current GRI of €72.3 million. As mentioned in *“Risk Factors—Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Informational Document —The Valuation Report and/or additional existing or future valuation reports could incorrectly assess the value of our properties”*, such assumptions may prove unrealistic or inaccurate. As a result, references to the repricing or reversionary potential of our portfolio included in this Informational Document may prove to be incorrect.

According to Savills, the valuation of our assets could be affected by events such as the uncertainty surrounding Catalonia’s independence movement. Despite Savills’ effort to address the possible impact of such events in the valuations carried out, such events may continue to impact the confidence of the markets in general, which, in turn, could adversely affect the value of our assets.

Additionally, in the context of the BuildingCenter Portfolio acquisition and to determine the purchase price, we requested a valuation with respect to the BuildingCenter Portfolio from Savills. This valuation has not been made public and, unlike the Valuation Report, it is not a report for the purposes of providing the market value of our properties pursuant to IAS40. This valuation was dated October 30, 2017 and, based on the information that was provided to Savills in the context of the transaction, it estimated an aggregate market value for the valued properties of €28,329,000.

As of the date of this Informational Document, Savills is not a valuation company officially recognized by and registered with the Bank of Spain according to Royal Decree 775/1997, of May 30. This notwithstanding, Savills is qualified as a Member of the Royal Institution of Chartered Surveyors (MRICS).

Based on the information provided in the Valuation Report, as of December 31, 2017 we performed a sensitivity analysis in our 2017 Consolidated Financial Statements to measure the impact a change in the main assumptions used could have on our financial condition, see *“Operating and Financial Review—Factors Affecting Our Financial Condition and Results of Operations—Property values and valuation”*.

Company’s Declaration

Since the date of the valuations included in the Valuation Report (*i.e.* since December 31, 2017), there have been no material changes in our assets which were the subject of such valuation, with the exception of the acquisition of 1,450 apartments of the BuildingCenter Portfolio (of the total 1,458 apartments that comprise the BuildingCenter Portfolio) for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement (see *“Business—BuildingCenter Portfolio”*) and the Additional BuildingCenter Parking Spaces for an aggregate purchase price of €24,356.58 (see *“Business—Additional BuildingCenter Parking Spaces”*).

Trademarks

We own or have rights to certain trademarks, trade names, service marks or applicable copyright notices which we use in connection with the operation of our Group’s business. We assert to the fullest extent under applicable law, our rights to our trademarks, trade names, service marks and applicable copyright notices. Solely for convenience, the trademarks, trade names, service marks or applicable copyright notices appearing in this Informational Document are listed without the applicable ®, © or ™ symbols.

Legislation

This Informational Document refers to various statutes, directives and other legislation and regulations. Unless specified to the contrary, all such references are to the laws of Spain.

BUSINESS

You should read the following commentary together with the sections entitled “Risk Factors”, “Presentation of Financial and Other Information”, “Selected Financial and Operating Information”, “Operating and Financial Review” and the Consolidated Financial Statements and the related notes thereto included as an annex to this Informational Document.

The following discussion contains forward-looking statements that involve risks and uncertainties, including statements regarding our target NRI margin, occupancy rate and annual acquisitions and our financial policies (including our LTV target)]. Our actual results could differ materially from those that we discuss in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in the Informational Document, particularly under “Important Information—Forward-looking Statements” and “Risk Factors”. Except as may be required by applicable law, we will not publicly update any forward-looking statements for any reason, even if any new information becomes available or other events occur in the future.

Except as otherwise indicated or unless context otherwise requires, references to (i) GAV (i.e., estimated gross asset value) are based on the market values reported in the Valuation Report, which is included herein as Annex I, and which contains valuations as of December 31, 2017 ; and (ii) references to GRI refer to our passing monthly gross rents, per the Group’s lease agreements as of December 31, 2017, multiplied by 12. In addition, unless the context requires otherwise number of units and other references to our portfolio are as of March 31, 2018 and together with GAV and GRI are provided on a 100%-ownership basis with respect to Coto (as defined herein), in which we own a 99.65% interest. Coto owns properties with an aggregate GAV of €409 million (€399 million corresponding to its six housing developments). On April 26, 2018, our Board of Directors together with the Sole Director of Coto prepared and signed a joint merger plan for the absorption of Coto (proyecto común de fusión por absorción) in compliance with the provisions of article 30 of the Spanish Act 3/2009 on Structural Amendments of Private Companies (Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles). The entailed merger was approved by our Board of Directors on May 22, 2018 and is due to take place after the Listing pursuant to which Coto will be integrated into Testa by way of a block transfer of its assets and liabilities (for more information see “—History”). Furthermore, references to our apartments include (i) properties in respect of which we have surface rights for a defined period of time (see “—Our Portfolio—Portfolio in Detail—Key Legal Features of Portfolio—Ownership Regime”); (ii) 58 townhouses located in Aranjuez (Madrid); (iii) except as otherwise indicated, parking spaces and storage units rented together with our apartments (that form part of said apartments and are not counted as separate apartments) and (iv) includes the surface rights over our “Campo de Tiro” property composed of 80 apartments with an aggregate GAV of €0.2 million and an aggregate GRI of €0.6 million (see “Business—Portfolio Segmentation—Key Legal Features of Portfolio—Ownership Regime”) that expired on May 22, 2018. However, such references do not include the BuildingCenter Portfolio (as defined herein) of which as of the date of this Informational Document, and after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments (of the total 1,458 apartments that comprise the BuildingCenter Portfolio) for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement (see “Business—BuildingCenter Portfolio”) and the Additional BuildingCenter Parking Spaces for an aggregate purchase price of €24,356.58 (see “Business—Additional BuildingCenter Parking Spaces”).

Overview

We are the largest multi-family housing SOCIMI in Spain and we are primarily focused on the acquisition and management of residential properties in high-growth metropolitan areas. Our business is managed by a highly experienced senior management team with over 16 years of experience on average in the real estate sector. Our aim is to strengthen our leadership in the highly fragmented Spanish residential rental market by taking advantage of the market opportunity currently available in Spain due to its favorable structural and macroeconomic trends.

Through our history, we have built a customized portfolio by selectively acquiring attractive properties from some of the largest portfolios in Spain, especially since 2016. The selection of properties has been consistently guided by clear deployment criteria, in accordance with our strategy of focusing on residential properties with high capital accretion potential in wealthy metropolitan areas (see “—Our Portfolio—Portfolio at a Glance” and “—Business Operations—Portfolio Management”). Our portfolio is comprised of 9,244 apartments, which

represented approximately 95% of our GAV, with a total GAV of approximately €2.3 billion, an GRI of approximately €72.3 million and an aggregate GLA of approximately 882 thousand square meters.

Our properties are primarily located in the autonomous region (*comunidad autónoma*) of Madrid (with approximately 65% of our portfolio in terms of GAV located there) and, to a lesser extent, in San Sebastián (7% of GAV), Barcelona (5% of GAV), Las Palmas de Gran Canaria (3% of GAV), Palma de Mallorca (3% of GAV), Valencia (3% of GAV) and La Coruña (2% of GAV) among other regions of Spain (see “—*Our portfolio—Our portfolio at a glance*”). The expected 2016-2031 average household growth of regions where we are present, weighted by the distribution of our GAV, was between 124% and 159% of the Spanish expected average household growth (source: Bank of Spain, INE, 124% assuming Bank of Spain’s 2014-2029 maximum scenario and 159% assuming INE’s 2016-2031 base scenario). We believe that the attractiveness of our portfolio is also underpinned by its relatively recent construction (with approximately 84% of our apartments being less than 20 years old), the high proportion of freehold properties (representing approximately 93% in terms of GAV) and free-rent properties (representing approximately 83% of our GRI) and the fact that approximately 84% of our apartments are located in buildings that are either entirely owned by us or in which we own the majority of the properties.

In addition, in March 2018 we entered into the New Portfolio Purchase Agreement, under which we have agreed to acquire 1,458 apartments subject to the fulfilment of certain conditions precedent. As of the date of this Informational Document, after fulfilment of the applicable conditions precedent, we have acquired 1,450 apartments of the BuildingCenter Portfolio pursuant to the New Portfolio Purchase Agreement. See “—*BuildingCenter Portfolio*”. Also, in June 2018 we purchased the Additional BuildingCenter Parking Spaces (see “*Business—Additional BuildingCenter Parking Spaces*”).

Because all of our properties are located in Spain, they benefit from the positive growth momentum of the Spanish economy and, in particular, of the Spanish real estate market. Spanish GDP grew by 3.3% and 3.1% in 2016 and 2017, respectively, and it is expected to grow by 2.7% in 2018, outperforming the increases of the Eurozone (source: Eurostat). The Spanish real estate market in general and the Spanish residential rental market in particular have also shown highly visible signs of recovery in recent years. Besides the stimulus provided by economic growth, the residential real estate market has also benefited from favorable demographic trends, with Spanish average household size converging toward European averages (from 2.7 members per household in 2006 to 2.5 in 2016) and household growth expected to exceed population growth (sources: Eurostat, INE). Still, the Spanish residential rental market continues to be highly fragmented, with a substantial part of the market supply being owned by private individuals, non-professionally operated and not benefiting from economies of scale. We believe that the size of our portfolio, the quality and distribution of our properties, our standardized and scalable business model and our experienced management team, with core expertise in residential renting, uniquely position us to lead the Spanish residential rental market as well as its developing institutionalization.

As of March 31, 2018 we had 80 employees, divided among our central offices in Madrid and our regional offices, which controls the entire value chain. We believe that our well-structured and professional model can allow us to achieve operational efficiencies and obtain higher returns in the future.

Key Investment Highlights

Strong Spanish Macro Outlook Supportive of Housing Recovery

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

Spain is one of the fastest growing economies in Europe. Spanish GDP growth in 2017 (3.1%) and expected GDP growth for 2018 (2.7%) are the highest among sizable western European economies (source: Eurostat), while the unemployment rate has decreased significantly from 26.3% in the first quarter of 2013 to 16.6% in the fourth quarter of 2017 (source: Eurostat) and is expected to be 14.2% by the end of 2018 (source: Eurostat, INE). Improvements in the overall economy have also supported household deleveraging since mid-2010 (with households’ stock of loans decreasing from €12 billion as of November 2008 to €704 billion as of December 2017 (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

2016, Spanish metropolitan areas, including 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 2.5 in 2016), narrowing the gap with other European economies such as Italy, United Kingdom, France and Germany (with 2.3, 2.3, 2.2 and 2.0 members per household in 2016, respectively) (source: Eurostat) and is expected to further decrease to 2.4 members by 2031 (source: INE). 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).

Attractive Entry Point into a Resilient Asset Class with Growth Potential

We believe the Spanish residential real estate market is showing significant signs of recovery from 2011-2013 levels and is now strengthening as the overall Spanish economy improves. Housing prices are strongly increasing, with capital values in Madrid growing by 4.9%, 3.9%, 6.5% and 6.9% in the first, second, third and fourth quarters of 2017, respectively (compared to the same periods of 2016) and 4.5%, 5.0%, 4.6% and 5.0% in the first, second, third and fourth quarters of 2016, respectively (compared to the same periods of 2015) and in Barcelona by 6.6%, 5.4%, 7.2% and 6.4% in the first, second, third and fourth quarters of 2017, respectively (compared to the same periods of 2016) and 6.1%, 6.5%, 6.9% and 6.4% in the first, second, third and fourth quarters of 2016, respectively (compared to the same periods of 2015) (source: Ministerio de Fomento). Increased housing and mortgage affordability both support demand and provide room for additional price increases. In particular, the percentage of disposable income destined for mortgage payments (as proxied by the aggregate gross amount of the instalments to be paid by the median household in the first year after the acquisition of an standard apartment, financed with a standard loan for 80% of the value of the apartment, as a percentage of the household's annual disposable income) was 34.3% as of December 2017 (compared to 60.3% as of September 2008) (source: Bank of Spain).

Nonetheless, since housing prices remain at levels well below their 2007 peak (representing as of December 2017 c.82% of the housing prices as of 2006) and have recovered less than in Germany, Great Britain or the European Union on average (where prices already exceed 2007 levels) (source: Eurostat), we believe there continues to be significant upside potential. In particular, in cities like Madrid and Barcelona there is still room for convergence of housing prices with prices in other major European cities. For example, in the second semester of 2017, capital values per square meter in Berlin reached €3,840/sqm, compared to €2,601/sqm in Madrid in the fourth quarter of 2017 (where capital values per square meter amounted to €2,378/sqm in the second quarter and €2,488/sqm in the third quarter) and €3,129/sqm in Barcelona in the fourth quarter of 2017 (where capital values per square meter amounted to €3,094/sqm in the second quarter and €3,184/sqm in the third quarter) (sources: Tinsa, JLL (measured in accordance with local market practices)). GAV per square meter of our residential portfolio is €2,593/sqm.

Rents in Madrid and Barcelona increased by 9.9 % and 15.4%, respectively, in the second quarter of 2016 (compared to the second quarter of 2015) and by 11.1% and 14.3%, respectively, in the second quarter of 2017 (compared to the second quarter of 2016), resulting in an increase of 22.1% and 32.0%, respectively, since the second quarter 2015 to the second quarter 2017 (source: Fotocasa). Nonetheless, at the start of 2017, residential rents in Spain represented only 80.5% of the pre-crisis levels of 2007, whereas residential rents in Germany at the start of 2016 represented 136.8% of the pre-crisis levels of 2007 (sources: Fotocasa, Bundesbank).

We believe that demand for Spanish residential rental housing has potential for further growth, driven by various factors. These include the decrease in the average household size, favorable fiscal and regulatory framework developments which incentivize housing rentals and cultural factors that have helped reduce the perceived advantages of owning a home. The percentage of the Spanish population that live in owner-occupied property has decreased from 84.5% in 2001 to 77.1% in 2016, and there is still room for convergence with European levels (66.5% on average in the Eurozone and 51.7% in Germany) (sources: Bank of Spain, Eurostat). Furthermore, rental affordability is expected to benefit as the average age of the tenant base in Spain converges with the averages of other European economies, such as Germany. In 2016, the average age of tenants in Spain was 32 years (source: Alquiler Seguro) (our average tenant age was 41 years for new contracts signed between January and March 2018), whereas the average age of a tenant in Germany in 2014 was 52 years (source: Institute for Public Policy Research).

Largest High Quality Portfolio in Some of Spain's Wealthiest Regions

We believe we have a top-quality residential property portfolio with limited capital expenditure needs that cannot be easily replicated. The uniqueness of our portfolio lies mainly in its geographic concentration in high-growth metropolitan areas, its relatively recent construction, the high proportion of freehold and free-rent properties (as defined herein) and the fact that the majority of our properties are located in buildings that are either entirely owned by us or in which we own the majority of the properties. In short, we believe our portfolio is characterized by properties that people not only want to rent but also to buy. With 9,244 apartments, an aggregate GAV of approximately €2.3 billion (€1.8 billion corresponding to our premium market portfolio), an GRI of approximately €72.3 million (76.9% of which correspond to our premium market portfolio that amounted to €55.5 million) and an aggregate GLA of 882 thousand sqm, our portfolio also has a size which allows for considerable economies of scale.

Consistent with our business strategy (see “—Portfolio—Portfolio at a Glance” and “—Business Operations—Portfolio Management”), we are focused on regions with low housing supply and with higher expected future household growth, and GDP per capita than the Spanish average. The expected 2016-2031 average household growth of regions where we are present, weighted by our GAV, is between 124% and 159% of the Spanish expected average household growth (source: Bank of Spain, INE, 124% assuming Bank of Spain's 2014-2029 maximum scenario and 159% assuming INE's 2016-2031 base scenario). In particular, approximately 65%, 7%, 5%, 5% and 3.5% of our portfolio in terms of GAV is located in Madrid, the Basque Country, Catalonia, autonomous region of Valencia and Galicia respectively, with Madrid, the Basque Country and Catalonia being among the five autonomous regions (*comunidades autónomas*) with the highest GDP per capita in Spain in 2017 (with Madrid having the highest GDP per capita) (source: INE). Madrid is also the autonomous region with the highest expected household growth in Spain in absolute terms (source: Bank of Spain). The size of our residential rental portfolio in Madrid is unparalleled. Approximately 58.5% of our portfolio in Madrid in terms of GAV is located in the city center of Madrid (mainly within the boundaries of the M-30 ring road, see “—Our Portfolio—Portfolio in Detail—Geographic Distribution of Portfolio—Premium and Core Metropolitan Areas—Premium Market Properties Concentrated in Madrid”), approximately 29% is located in the second-ring of Madrid (within the boundaries of the M-40 ring road) and the remaining approximately 13% is located in large municipalities of the autonomous region of Madrid, such as Alcorcón and Las Rozas. We are also focused in San Sebastián (7% of GAV), Barcelona (5% of GAV), Las Palmas de Gran Canaria (3% of GAV) and Palma de Mallorca (3% of GAV).

In addition, 84% of our apartments are under 20 years old, which significantly reduces obsolescence risk and the level of maintenance expenses and capex, while allowing for stronger cash flow conversion. In particular, due to the relatively recent construction of our portfolio, our capex profile compares favorably to German residential players which incur in significantly higher maintenance expenses and capex per square meter than we do as they generally manage older apartments and incur in higher obsolescence costs and increased levels of maintenance expenses and capex and, therefore, have lower cash flow conversion. Based on publicly available information of five German peers, their average maintenance expense and capex per square meter was approximately €30 in 2017, compared to our maintenance expense and capex per square meter of €5 in 2017. It must be noted that in making this calculation we consider the square meters of the constructed area (*superficie construida*) of our apartments, as reported in the Spanish cadastral registry or the Spanish Property Registry (*Registro de la Propiedad*) as applicable, which includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas (see “Operating and Financial Review—Key Performance Indicators”). This approach differs from that followed by German companies which generally do not include common areas for purposes of the above calculation. Consequently, this may affect the comparability with our German peers.

We believe that the relatively recent construction of our portfolio, together with the vast predominance in our portfolio of freehold free-rent properties with 84% of our apartments located in buildings that are either entirely owned by us or in which we own the majority of the properties, positions us to better exploit our active asset management practices, optimize our expenses and have better margins than some of our peers.

Our focus on high-quality properties in wealthy regions is matched by our commitment to having a financially strong tenant base. As of December 31, 2017, thanks to our robust, standardized tenant screening process, our tenant bad debt (calculated as unpaid rent after six months of delinquency on rental payments, net of guarantees provided by tenants under the affected lease agreements) represented 0.6% of our GRI. In addition, unpaid rent after 60 days of delinquency on rental payments, gross of guarantees represented 2.9% of our passing gross rents as of March 31, 2018. In this regard, as of December 31, 2016 we recognized a provision of €64 thousand to

cover delinquent tenants of which €15 thousand were recognized as a loss in 2017 and as of December 31, 2017 we recognized a provision of €300 thousand to cover delinquent tenants of which €23 thousand were recognized as a loss in the first quarter of 2018.

A Unique Platform to Benefit from Economies of Scale and Reversionary Potential

We are the largest multi-family housing SOCIMI in Spain based on our GAV and the number of apartments in our portfolio (approximately €2.3 billion and 9,244 apartments as of March 31, 2018, respectively), followed by Lazora (approximately €0.9 billion and 6,500 apartments as of December 31, 2017, respectively) and Fidere (approximately €0.8 billion and 6,300 apartments as of June 30, 2017, respectively) (source: company filings). We and our top two peers (Lazora and Fidere) accounted for approximately less than 0.9% of total Spanish residential rental units in 2017 (source: CBRE).

We believe that our status as the only listed multi-family housing platform in Spain following the Listing, our scalable platform with potential to add further properties at marginal incremental costs, our favorable access to new acquisitions, the scale and geographic distribution of our portfolio (with an unparalleled presence in Madrid), our brand visibility with tenants, our bargaining power with suppliers and the efficient management of our portfolio, uniquely position us to lead the institutionalization of the fragmented Spanish residential rental market.

Our team of 80 highly skilled full-time employees include a management team with an extensive track record in the residential industry in Spain and Europe and which is fully focused on unlocking the full value of our Company. We believe the vast experience of our management team, with over 16 years in the real estate sector on average, adds significant value to our centralized control of the value chain. Our management team is supported by a platform of experienced and skilled employees grouped in three key areas: (i) Asset Management, (ii) Finance & IT and (iii) Investor Relations, Mergers and Acquisitions, Legal and Human Resources. Given their many years of experience, in-house capabilities and local market expertise, our staff possesses extensive and specialized knowledge of the Spanish residential rental market that we expect to benefit from as we grow and develop our business. In addition, our in-house platform is supported by services outsourcing companies, which employ approximately 109 external professionals who carry out auxiliary third party services (such as handyman services, electrician services, etc.). We also work with maintenance and repair service providers, call-centers and with various leasing real estate agencies in the commercialization of our portfolio.

Furthermore, in accordance with best industry practices, we have standardized various key processes in our business operations to ensure a smooth and efficient workflow. Our business operations combine local presence and expertise with strong national oversight. We rely on a centralized business strategy focused on value creation throughout the value chain—the main pillars of which are our operational strategy, our capex strategy and our portfolio management strategy—as well as centralized infrastructure and standards, to drive efficiency, consistency and cost savings. To the extent possible, we utilize our extensive scale to ensure the consistent quality of our tenant experience and maximize cost efficiencies and purchasing power. For additional information on our business strategy, see “—Business Operations”. We are committed to continue improving our earnings and margins and we aim to increase our NRI margin to 80% in the medium term.

The thorough implementation of our business strategy has allowed us to improve the overall performance of the properties we have acquired since 2016 over a relatively limited period of time. In particular, we are experiencing a strong repricing and vacancy reduction momentum. Based on the rate at which our in-place rents have been repriced in the six-month period beginning on October 1, 2017 and ending on March 31, 2018, and the terms of such repricings, we anticipate that one third of our lease agreements will have been repriced in the course of one year with an average rental increase of over 15% above the former in-place rents. In the remaining two-thirds of our rented portfolio, we anticipate rents will have increased in line with the CPI.

In particular, of our 8,575 residential lease agreements in place as of March 31, 2018: (i) 1,821 expire on 2018; (ii) 1,618 expire on 2019; (iii) 3,469 expire on 2020; and 1,511 expire thereafter.

The following graph shows the rate at which our in-place rents have been repriced in the six-month period beginning on October 1, 2017 and ending on March 31, 2018:

New Letting Rent / Renewals¹ vs. In-Place Rent² (%)³



- (1) Includes both lease agreement renewals with existing tenants and lease agreements entered into with new tenants.
- (2) “In-place rent” refers to rent prior to the renegotiation of the relevant lease agreement.
- (3) Includes the repricing of all apartments in our portfolio, *i.e.*, apartments subject to a social housing regime, apartments subject to old rent regime (*renta antigua*) and apartments not subject to any type of social housing regime or old rent regime (*renta antigua*). See “—Our Portfolio—Portfolio in Detail—Key Legal Features of Portfolio”.
- (4) Includes only lease agreements entered into with new tenants in respect of apartments not subject to any type of social housing regime or old rent regime (*renta antigua*).
- (5) Number of apartments in respect of which lease agreements have been entered into or renewed over the total number of apartments.

As a result of the strong repricing momentum, like-for-like growth of in-place rent (€/sqm/month) was approximately 8.7% in the last quarter of 2017, 9.2% in the second half of 2017, 8.0% in the last three quarters of 2017 and 8.1% in 2017. Like-for-like changes have been calculated assuming a constant asset perimeter throughout the period in respect of which growth or evolution is being calculated, specifically considering the asset perimeter at the beginning of such period and excluding any asset contributions, acquisitions or dispositions after such date. Growth in in-place rents has been accompanied by increases in occupancy levels. The like-for-like vacancy rate of apartments decreased during the second half of 2017, from 12.0% in June 2017 to 8.7% in March 2018, while our reported vacancy rate decreased from 12.0% to 9.0% over the same period.

In addition, we believe that our portfolio has potential for further repricing and vacancy reduction, providing room for earnings and margin expansion with approximately 25% (excluding our property of La Ventilla-IVIMA) of the initial terms of our portfolio’s lease agreements expiring next year. Excluding properties subject to a social housing regime or old rent regime (*renta antigua*), our passing gross residential rent (this is the passing monthly rent, included in the Company’s lease agreements in force and receivable as at the end of the relevant month) over our rented residential GLA was €8.0 as of December 31, 2017. This is, 25% lower than the market rental value (ERV) per square meter estimated by Savills in the Valuation Report (€9.9 ERV/sqm) (both Savills and us use the same criteria when calculating GLA). For additional information see, “*Operating and Financial Review—Key Performance Indicators*”. See Annex I hereto for information on the assumptions made by Savills in calculating these estimates. This suggests that there may be room for increases in rents through repricing at market levels and limited capex initiatives. In addition, we aim to increase our occupancy rate for residential properties from 89.5% as of December 31, 2017 to 95% in the next three years. The repricing and occupancy potential of our portfolio are further enhanced by the positive macroeconomic prospects in Spain, given the high correlation between GDP and rental price growth, with the compound annual GDP growth rate (CAGR) for the next ten years expected to be 4% (source: Business Monitor International Research).

Robust Balance Sheet Providing Firepower to Consolidate a Fragmented Market

We intend to continue growing through selective acquisitions and we believe that our attractive financial profile provides us with the necessary capacity for execution. We have consistently pursued a conservative financing strategy and have built strong relationships with a range of key lenders in Spain. We have also proven our ability to access the bank financing market at favorable rates. Our disciplined financial planning is supported by a strong balance sheet, which we believe provides us with flexibility to pursue attractive strategic opportunities and capture sector upside. In December 2017, we refinanced our credit facilities and at March 31, 2018, we had

gross indebtedness of c.€473 million (c.74% of which was unsecured debt), of which c.€431 million will mature in 2022 (c.91% of our gross indebtedness as of March 31, 2018). At March 31, 2018 our Adjusted EPRA NAV was c.€1,840 million while we had an LTV of 18.2%. In addition, as of the date of this Informational Document, we have significant cash resources of c.€58 million and undrawn committed credit facilities totaling €100 million which provide us with considerable firepower to make acquisitions. Following the Listing, we target a conservative LTV ratio of below 35%. For additional information on our financial policies, see “*Operating and Financial Review—Liquidity and Capital Resources—Financial Policies*”.

We believe that the overall scale and potential of our portfolio and our attractive financial profile uniquely position us to consolidate the vast but highly fragmented Spanish residential rental market. We estimate that the size of the potential addressable multi-family residential market in Spain that could fit our business strategy could exceed €13 billion in the coming years. Consistent with our acquisition strategy, we focus on multi-family buildings with high capital accretion potential in metropolitan areas exhibiting low housing supply, high occupancy rates and positive household growth creation. In addition, we intend to enter into turnkey build-to-let agreements with developers to access premium locations with strong demand for rental and potential for superior returns. We do not expect such projects to represent, in the aggregate, more than 10% of our GAV at any time. As of the date of this Informational Document, our management has identified an investment pipeline with an estimated aggregate GAV of approximately €539 million representing 2,959 apartments that we are actively considering following our strict capital deployment criteria. However, we have no exclusivity rights, purchase rights or formal undertakings or agreements in connection with the acquisition of all the properties forming part of such investment pipeline and, therefore, we may not be able to materialize the identified investment opportunities. See “*—Business Operations—Portfolio Management—Pipeline*” for additional information.

History

We were incorporated on January 4, 2001 as Vallehermoso Patrimonio, S.A. However, due to the significant changes we have experienced in our size and portfolio in recent years, we believe only events subsequent to 2016 to be representative of our current business scale and scope.

On June 21, 2016, the boards of directors of our sole shareholder at the time, Testa Inmuebles en Renta, SOCIMI, S.A. (“**TIRSA**”), and Merlin Properties approved a joint merger plan for the absorption of TIRSA (*proyecto común de fusión por absorción*) whereby TIRSA merged into Merlin Properties (the surviving corporation), which succeeded to and assumed all the rights and obligations of TIRSA. As a result of the merger by absorption, which was completed on October 14, 2016, Merlin Properties became our sole shareholder.

Also on June 21, 2016 Merlin Properties entered into a spin-off agreement with Metrovacesa and its main shareholders (Banco Santander, BBVA and Banco Popular (currently Banco Santander)) to create one of the most significant residential rental real estate companies in Spain. The transaction closed on October 20, 2016 and involved the spin-off of Metrovacesa and the integration of its residential business unit into our Company. Such business unit consisted mainly of residential real estate properties intended for rental (with an approximate aggregate GAV at the time of €92 million), cash, certain staff, shares and units of subsidiaries, contracts and approximately €250 million of financial debt. As consideration for the business received, we issued 3,075,278,154 shares which were entirely subscribed by the shareholders of Metrovacesa. As a result of this transaction, the then shareholders of Metrovacesa became holders of approximately 65.7% of our share capital at the time.

On July 29, 2016, we changed our corporate name and corporate form to Testa Residencial, S.A.U. (*sociedad anónima*), and on September 22, 2016, the then sole shareholder of the Company, TIRSA, approved the application for the SOCIMI tax regime, changing our corporate name to Testa Residencial, SOCIMI, S.A.

On March 7, 2017, Banco Santander, BBVA and Banco Popular (currently Banco Santander), among others, contributed 60 residential developments (with an approximate aggregate GAV at the time of €660 million) to us in exchange for 5,221,817,098 shares of our Company, representing approximately 52.8% of our share capital at the time.

On July 27, 2017, we and Acciona entered into an agreement whereby Acciona agreed to contribute its home rental business, which included its shares in Valgrand 6, S.A. and Compañía Urbanizadora del Coto, S.L. and its residential units in Lerida, by means of an in-kind contribution to us in exchange for 2,645,404,051 shares of our Company, representing approximately 21.02% of our share capital at the time. The transaction closed on September 20, 2017.

On September 22, 2017, we acquired a prime portfolio of 134 apartments in Madrid from BuildingCenter, S.A.U., a member of the Caixabank group. Other smaller acquisitions and in-kind contributions have followed since that date, including the acquisition in December 22, 2017 of 26 apartments from Santander Ahorro Inmobiliario 1, S.A., a member of the Banco Santander group. All of these acquisitions were funded in cash.

On March 23, 2018, we reached an agreement to acquire a portfolio of 1,458 apartments from BuildingCenter, S.A.U., the real estate subsidiary of CaixaBank, S.A., for an aggregate purchase price of approximately €227 million which was agreed between the parties on arm's length terms. As of the date of this Informational Document, and after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments (of the total 1,458 apartments that comprise the BuildingCenter Portfolio) for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement. See “—*BuildingCenter Portfolio*”.

On June 21, 2018 we acquired from BuildingCenter, S.A.U., the real estate subsidiary of CaixaBank, S.A., the Additional BuildingCenter Parking Spaces for an aggregate purchase price of €24,356.58 (see “*Business—Additional BuildingCenter Parking Spaces*”).

Through the recent contributions and acquisitions of properties, we have built a customized portfolio by selectively acquiring attractive properties from some of the largest portfolios in Spain. The selection of properties was conducted under clear criteria, consistent with our business strategy (see “—*Business Operations—Portfolio Management*”).

On April 26, 2018, our Board of Directors together with the Sole Director of Coto prepared and signed a joint merger plan for the absorption of Coto (*proyecto común de fusión por absorción*) (the “**Joint Merger Plan**”) which is available on our website (www.testa-socimi.com) and in compliance with the provisions of article 30 of the Spanish Act 3/2009 on Structural Amendments of Private Companies (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*) (“**LME**”). The entailed merger was approved by our Board of Directors on May 22, 2018 and was approved by the general shareholders' meeting of Coto on July 2, 2018. The merger will take place after the Listing pursuant to which Coto will integrate itself into Testa by way of a block transfer of its assets and liabilities.

Our Portfolio

Portfolio at a Glance

We own a portfolio of high-quality properties that are mostly located in prime locations. Our portfolio includes 9,244 apartments, which accounted for 95% of our portfolio in terms of GAV. This includes parking spaces and storage units which were rented together with our apartments (such parking spaces and storage units are not counted as separate apartments as they belong to said apartments). We also own 295 residential-linked retail units located in buildings where we have residential properties. In the aggregate, non-residential real estate properties (that include the residential-linked apartments, our office building and the Plaza de Castilla car park) represent approximately a €19 million GAV (5.3% of our total GAV) and approximately €4.6 million GRI (6.3% of our GRI).

We believe that the attractiveness of our portfolio lies on the following key features :

- (i) Size: with an aggregate GAV of approximately €2.3 billion, an GRI of approximately €72.3 million and an aggregate GLA of 882 thousand square meters, we are the largest multi-family housing SOCIMI in Spain. This position is further strengthened by the New Portfolio Purchase Agreement whereby we agreed to acquire the BuildingCenter Portfolio comprised of 1,458 apartments and by the Additional BuildingCenter Parking Spaces. As of the date of this Informational Document and after fulfilment of the applicable conditions precedent, we have already acquired 1,450 of the 1,458 apartments of the BuildingCenter Portfolio for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement (see “—*BuildingCenter Portfolio*”).
- (ii) Geographical Distribution: When building up our portfolio, we have focused on prosperous metropolitan areas of Spain with favorable demographic and GDP growth prospects. Our portfolio is concentrated in some of Spain's wealthiest metropolitan areas and we have an unparalleled presence in the autonomous region of Madrid, where approximately 65% of our portfolio in terms of GAV was located. Additionally, our portfolio is located, to a lesser extent, in San Sebastián (7% of GAV),

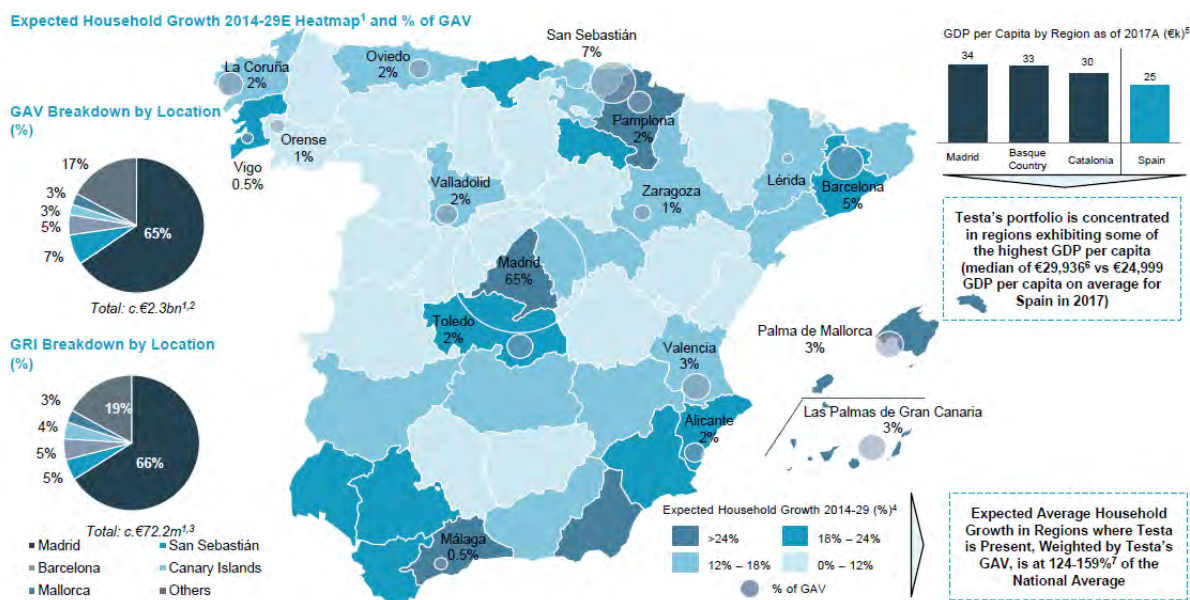
Barcelona (5% of GAV), Las Palmas de Gran Canaria (3% of GAV), Palma de Mallorca (3% of GAV) and other metropolitan areas of Spain such as Valencia (3% of GAV) and La Coruña (2% of GAV). In 2017, the median GDP per capita of five of the autonomous regions where we have a larger presence (Madrid, Basque Country, Catalonia, Canary Islands and Balearic Islands) was €29,936, compared to the €24,999 national average (source: INE). In addition, the expected 2016-2031 average household growth of the autonomous regions where we are present, weighted by the distribution of our GAV, is between 124% and 159% of the Spanish expected average household growth in the coming years (source: Bank of Spain, INE).

- (iii) Type of Property: Our portfolio is mostly composed of multi-family residential properties in respect of which we own the freehold. In particular, our residential portfolio and freehold properties represent approximately 95% and 93% of our portfolio in terms of GAV, respectively. In addition, properties contributing 83% of our GRI as of December 31, 2017, are not subject to any type of social housing regime or old rent (*renta antigua*) lease agreement. We refer to such properties as “**free-rent properties**”. Moreover, approximately 84% of our apartments are located in buildings in which we own the majority of the properties, with approximately 60% of our apartments being located in buildings which are entirely owned by our Company. The latter two features of our portfolio are key for the implementation of our active property management practices.

Our apartments have an average size of approximately 91.0 square meters per apartment and approximately 70% of our apartments have two or three rooms. The average monthly rent for our residential portfolio as of December 31, 2017 was approximately €82. As of December 31, 2017, the occupancy rate of our residential portfolio was approximately 89.5%.

- (iv) Quality: Approximately 84% of our apartments are less than 20 years old, which significantly reduces obsolescence risk and the level of maintenance expenses and capex, while allowing for stronger cash flow conversion. In particular, due to the relatively recent construction of our portfolio, our capex profile compares favorably to German residential players which incur significantly higher reported maintenance expenses and capex per square meter than we do, since their portfolios are typically comprised of older buildings than ours, and, therefore, have lower cash flow conversion. Based on publicly available information of five German peers (Vonovia, Deutsche Wohnen, ADO Properties, Grand City and LEG Immobilien), their average maintenance expense and capex per square meter was €30 in 2017, compared to our maintenance expense and capex per square meter of €5 in 2017. It must be noted that in making this calculation we consider the square meters of the constructed area (*superficie construida*) of our apartments, as reported in the Spanish cadastral registry or the Spanish Property Registry (*Registro de la Propiedad*), as applicable, which includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas (see “*Operating and Financial Review—Key Performance Indicators*”). This approach differs from that followed by German companies which generally do not include common areas for purposes of the above calculation. Consequently, this may affect the comparability with our German peers.
- (v) Strong Reversionary Potential: We believe that our portfolio has potential for further repricing, providing room for earnings and margin expansion. Excluding residential properties subject to a social housing regime or old rent regime (*renta antigua*), our passing gross rent per square meter for our apartments was approximately €8.0 as of December 31, 2017, 25% lower than the market rental value (ERV) per square meter estimated by Savills in the Valuation Report (€9.9 ERV/sqm) (both Savills and us use the same criteria when calculating GLA). For additional information see, “*Operating and Financial Review—Key Performance Indicators*”. See Annex I hereto for information on the assumptions made by Savills in calculating these estimates. This suggests that there may be room for increases in rents through repricing at market levels and limited capex initiatives.

The map below shows the distribution of our properties (based on GAV) as of December 31, 2017 and the expected 2016-2031 household growth by autonomous region in Spain:



Source: Expected household growth 2014-2029E from Bank of Spain and GDP per capita figures from INE

- (1) Includes both commercial and residential units.
- (2) Based on the Valuation Report.
- (3) GRI as of December 31, 2017.
- (4) Expected household growth 2014-2029 based on Bank of Spain's 2014-2029 maximum scenario, which is based on household growth projections published by the INE in October 2014 but then assumes growing headship rates (*tasas de jefatura*) until reaching, in 2019, the annual average growth rate of 2002-2014 or, if such growth is negative, it assumes constant growth so that the maximum headship rates reached in the 2002-2014 period are achieved in 2029 and assumes the existence of growing immigration which stabilizes from 2019 onwards at the average rate of the 2002-2014 period.
- (5) Values calculated at an autonomous region level.
- (6) Median GDP per capita of five of the autonomous regions where we have a larger presence: Madrid, Basque Country, Catalonia, Canary Islands and Balearic Islands.
- (7) Expected average household growth in regions where we are present, weighted by our GAV as % of the national average, is 124% assuming Bank of Spain's 2014-2029 maximum scenario and 159% assuming INE's 2016-2031 base scenario.

Additional information on our portfolio, including with respect to the key features of our portfolio referred to above, is provided below. For information on our top 10 property complexes, see “—Top 10 Property Complexes” further below.

Portfolio in Detail

Portfolio Segmentation

For portfolio management purposes, we group our properties into market segments (which do not constitute operating segments for accounting purposes) referred to as “premium”, “core” and “non-core”. The two main criteria used to allocate properties to one of these strategic segments are: (i) long-term demographic developments, especially household growth, and (ii) supply considerations, including stocks of properties. Household growth is used as a key indicator of future demand for housing, both for rental and sale. We use the INE's 2014E-29E projections for household growth at a province level. Such projections are based on several assumptions, including that the current demographic and social behavior trends will remain stable over time. There are certain inherent limitations to the INE's projections. In certain cases, expected household growth at a province level may not be representative of a particular metropolitan area, which may have better household growth prospects than the province in which it is located. This is the case of San Sebastián (located in Guipúzcoa), which benefits from a unique location and strong housing demand. In order to assess housing stock and supply, we rely on information gathered by CBRE, which is mainly based on stock data extracted from the Spanish cadastral registry (*Catastro*), as well as the relevant institutions from the Basque Country and Navarra, and supply data from Idealista. CBRE's supply survey focuses on apartments ranging from 60 to 120 square meters.

We believe that the combination of geographically driven property management and strategically driven portfolio management provides us powerful insight to the portfolio as a whole.

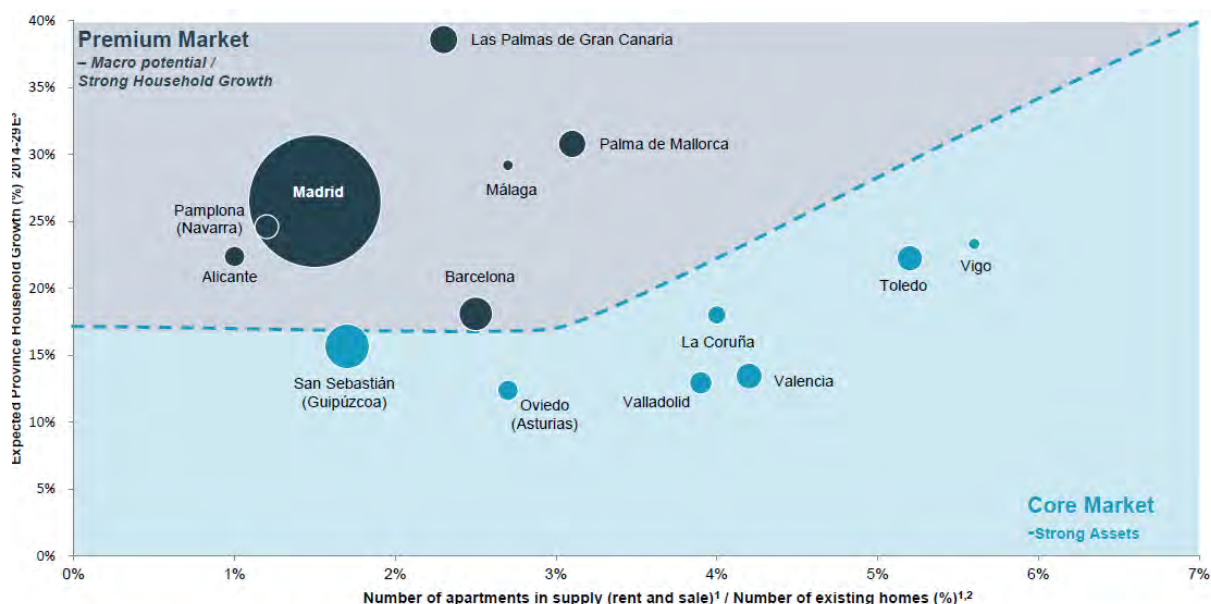
- (i) *Premium market.* Our premium market segment represents approximately 77.5% of our GAV, approximately 76.8% of our GRI as of December 31, 2017 and approximately 66.5% of the total number of apartments in our portfolio. Our premium market segment is concentrated in locations with strong household growth forecasts, low vacancy rates and attractive supply dynamics or in niche micro-locations where we own unique properties. Our strategy for the premium market segment is to hold and invest in existing properties. In addition, we intend to enter into turnkey build-to-let agreements with developers. Properties belonging to the premium market segment are located in Madrid, Barcelona, Las Palmas de Gran Canaria, Palma de Mallorca, Alicante, Pamplona and Málaga.
- (ii) *Core market.* Our core market segment represents approximately 17.2% of our GAV, approximately 15.4% of our GRI as of December 31, 2017 and approximately 22.5% of the total number of apartments in our portfolio. Our core market segment is concentrated in locations with either good household growth forecasts, high occupancy rates, or good supply dynamics, or in good micro-locations that show potential for future improvement of macroeconomic trends. Our strategy for the core market segment is to hold and invest in existing properties. Properties belonging to the core market segment are located in San Sebastián, Valencia, La Coruña, Toledo, Oviedo, Valladolid and Vigo.
- (iii) *Non-core assets.* Our non-core assets represent approximately 5.3% of our GAV, approximately 7.9% of our GRI as of December 31, 2017 and approximately 11.0% of the total number of apartments in our portfolio. We consider all of the properties in respect of which we have surface rights (except for Bentaberri), certain non-residential properties and properties in locations with low development potential to be non-core assets. Our strategy for these assets is to sell them in the mid-term at or above fair value.

The following chart shows certain key performance indicators of our portfolio by segment as of December 31, 2017:

Segment	Total Portfolio				Residential Portfolio				
	GAV (€MM)	GAV (%)	GRI (€MM) ⁽¹⁾	GRI (%) ⁽¹⁾	No. Apartments	In-place residential rent (€/sqm/month) ⁽²⁾	Like-for- like In- place residential rent Growth 2H17 (%) ⁽³⁾	Occupancy (%) ⁽⁴⁾	Like-for- like Occupancy Growth 2H17 (bps) ⁽⁵⁾
Premium market.....	1,764	77.5	55.5	76.8	6,145	8.6	10.1	90.6	132 bps
Core market	391	17.2	11.1	15.4	2,082	5.4	8.2	89.7	119 bps
Total premium and core markets	2,155	94.7	66.6	92.2	8,227	7.8	9.8	90.4	129 bps
Non-core assets.....	121	5.3	5.7	7.8	1,017	5.4	(0.4)	82.3	118 bps
Total portfolio	2,275	100.0	72.3	100.0	9,244	7.5	9.2	89.5	128 bps

- (1) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.
- (2) Calculated as passing gross residential rents (€/month) as of December 31, 2017, based on the Company's lease agreements over rented residential GLA as of December 31, 2017 in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (3) L-f-l In-place residential rent growth refers to growth of in-place rent (defined as passing gross residential rents per the Company's lease agreements divided by rented residential GLA) in the six months ended December 31, 2017, assuming a constant asset perimeter between the beginning and the end of said period (in particular, considering the asset perimeter at June 30, 2017 and excluding any asset contributions, acquisitions or dispositions after such date).
- (4) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (5) Like-for-like Occupancy Growth refers to growth of occupancy rates (defined as rented residential GLA divided by residential GLA) in the six months ended December 31, 2017, assuming a constant asset perimeter during such period (in particular, considering the asset perimeter at June 30, 2017 and excluding any asset contributions, acquisitions or dispositions after such date).

The graphic below shows the size of our premium market and core market segment portfolios based on two key features of their respective location: expected household growth and housing supply.



Sources: Company analysis, Bank of Spain, INE and CBRE

- (1) Supply metric based on the supply of apartments in a range of surfaces between 60 and 120 sqm.
- (2) Housing stock data from the Spanish cadastral registry as of November 2017, except the Basque Country where data is from Eurostat as of July 2017 and Navarra where data is from Instituto de Estadística de Navarra as of 2011. Apartments supply data is based on data gathered by Idealista during 2017.
- (3) Expected household growth 2014-2029 based on Bank of Spain maximum scenario, which is based on household growth projections published by the INE in October 2014 but then assumes growing headship rates (*tasas de jefatura*) until reaching, in 2019, the annual average growth rate of 2002-2014 or, if such growth is negative, it assumes constant growth so that the maximum headship rates reached in the 2002-2014 period are achieved in 2029 and assumes the existence of growing immigration which stabilizes from 2019 onwards at the average rate of the 2002-2014 period.

Geographic Distribution of Portfolio

We seek to maximize the income and capital appreciation of our properties by investing in markets with favorable conditions for multi-family property operations and appreciation. Our properties are mainly located in the autonomous region of Madrid, where we have an unparalleled scale, and, to a lesser extent, in San Sebastián, Barcelona, Las Palmas de Gran Canaria, Palma de Mallorca and other metropolitan areas in Spain. These markets generally feature one or more of the following characteristics that allow us to increase rents:

- (i) strong economic growth leading to employment and household growth, which in turn should support higher demand for our residential properties;
- (ii) urban core and high-density suburban locations with an attractive quality of life leading to high tenant demand and retention;
- (iii) favorable demographic trends contributing to a larger pool of target tenants with a high propensity to rent residential properties;
- (iv) high barriers to entry where, because of land scarcity or government regulation, it is typically more difficult or costly to build new apartments, creating limits on new supply; and
- (v) low vacancy rates.

We believe our strategy of focusing on wealthy metropolitan areas capitalizes on the increasing preference of people in Spain to live in the urban core of cities or dense suburban locations near transit, entertainment and cultural amenities (source: World Bank).

Furthermore, our geographic focus on a limited number of metropolitan areas, and in particular Madrid, provides us with an advantage due to economies of scale. Operating a larger base of properties allows us to benefit from market strength and also allows for a more efficient personnel allocation. Our portfolio allows us to capture the operating benefits of local density as well as economies of scale that we believe cannot be readily replicated.

Geographic Distribution of Premium and Core Markets

Our top ten markets in terms of GAV account for approximately 91.0% of the GAV of our portfolio. In particular, properties belonging to our premium market segment (which represent approximately 77.5% of our portfolio in terms of GAV) are located in Madrid, Barcelona, Las Palmas de Gran Canaria, Palma de Mallorca, Alicante, Pamplona and Málaga. Properties belonging to the core market segment (which represent approximately 17.2% of our portfolio in terms of GAV) are located in San Sebastián, Valencia, La Coruña, Toledo, Oviedo, Valladolid and Vigo.

The table below shows certain key performance indicators of our premium and core markets by metropolitan area as of December 31, 2017:

Segment/Metropolitan Area	Total Portfolio					Residential Portfolio				
	GAV (€MM)	GAV (%)	GRI (€MM) ⁽¹⁾	GRI (%) ⁽¹⁾	Gross Yield(%) ⁽²⁾	No. Apartments	GAV (€/sqm) ⁽³⁾	In-place residential rent (€/sqm/ month) ⁽⁴⁾	In-place residential rent (€/aptn/ month) ⁽⁵⁾	Occupancy (%) ⁽⁶⁾
Premium and core markets										
Madrid ^(7*)	1,450	63.7	44.0	61.0	3.0	4,431	3,520	9.6	854	89
Madrid City ^(*)	1,264	55.6	37.5	52.0	3.0	3,538	3,817	10.1	896	90
Large Municipalities ^(*)	186	8.1	6.5	9.0	3.5	893	2,326	7.8	683	88
San Sebastián ^(**)	165	7.2	4.0	5.5	2.4	510	3,482	7.2	669	97
Barcelona ^(*)	94	4.1	2.9	4.0	3.1	319	3,553	10.3	831	90
Las Palmas de Gran Canaria ^(*)	67	2.9	2.5	3.5	3.8	455	1,468	5.3	468	96
Palma de Mallorca ^(*)	62	2.7	2.4	3.3	3.9	273	1,616	5.5	762	96
Valencia ^(**)	56	2.5	1.5	2.0	2.6	225	2,161	5.1	578	94
Toledo ^(**)	54	2.4	2.1	2.9	3.9	449	1,203	4.3	408	91
Pamplona ^(*)	46	2.0	2.1	2.9	4.5	401	1,271	5.0	453	96
Valladolid ^(**)	42	1.9	1.6	2.2	3.7	448	1,297	4.7	341	86
Oviedo ^(**)	35	1.5	0.9	1.2	2.7	217	1,727	5.1	493	75
Top 10 Markets	2,071	91.0	64.0	88.6	3.1	7,728	2,839	7.9	720	91
Other locations ⁽⁸⁾	84	3.7	2.6	3.6	3.0	499	1,816	5.4	490	87
Total premium and core markets	2,155	94.7	66.6	92.2	3.1	8,227	2,777	7.8	706	90
Non-core assets	121	5.3	5.7	7.8	4.7	1,017	1,042	5.4	467	82
Total portfolio	2,275	100.0	72.3	100.0	3.2	9,244	2,593	7.5	682	90

(*) Premium market; (**) Core market

- (1) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.
- (2) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12, over total GAV.
- (3) Residential GAV divided by residential GLA as of December 31, 2017. Residential GLA includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (4) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017 (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).
- (5) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over the number of rented apartments as of December 31, 2017.
- (6) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (7) Refers to the autonomous region of Madrid.
- (8) Includes Alicante, La Coruña, Vigo and Málaga.

Premium and Core Metropolitan Areas

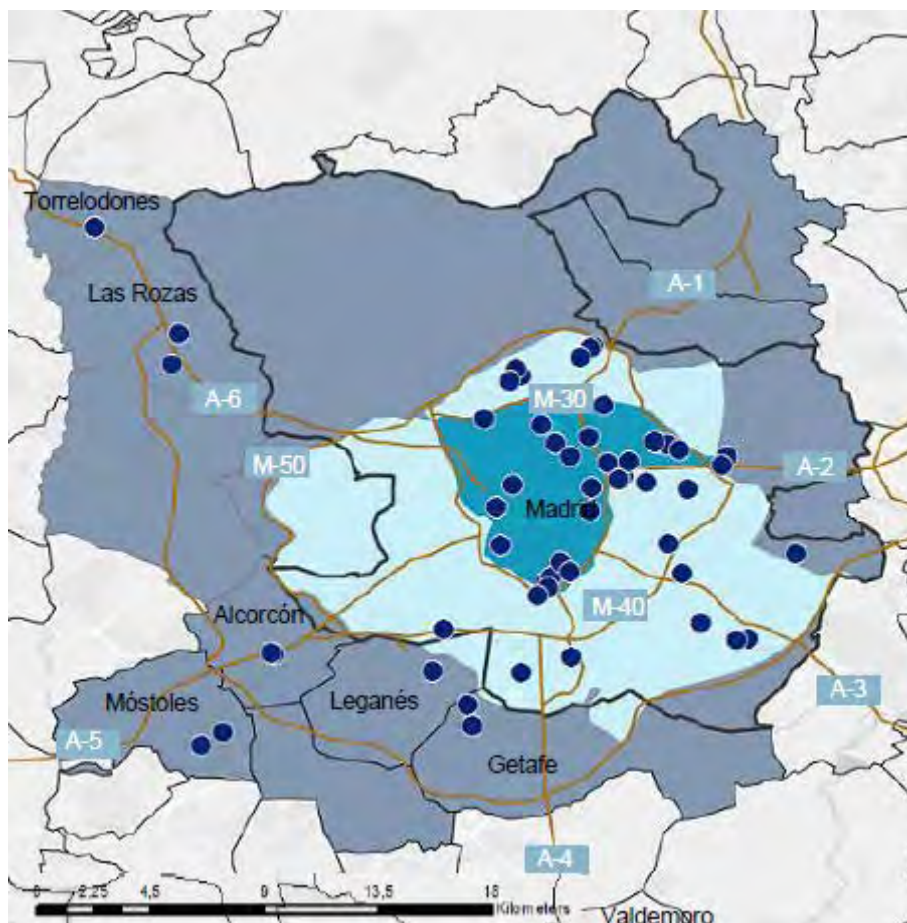
Premium Market Properties Concentrated in Madrid

Approximately 63.7% of our properties in terms of GAV are premium market properties located in the autonomous region of Madrid, which is one of the wealthiest autonomous region of Spain based on 2017 GDP per capita (source: INE). Madrid is also one of the autonomous region with the highest expected household growth in Spain in absolute terms over the 2016-2031 period (source: INE). Madrid's residential market benefits from a combination of positive net migration, increase in the quality of the work force, decreasing average household size and limited supply of new rental stock, resulting in continued rental demand growth, which we expect to positively impact our business.

The Madrid region is currently exhibiting one of the strongest capital values and rent increases in Spain, as a result of the lack of new housing supply and rising demand. After Barcelona, Madrid is the region experiencing the highest rental growth in Spain. Housing prices are strongly increasing, with capital values in Madrid growing by 4.9%, 3.9%, 6.5% and 6.9% in the first, second, third and fourth quarters of 2017, respectively (compared to the same periods of 2016) and 4.5%, 5.0%, 4.6% and 5.0% in the first, second, third and fourth quarters of 2016, respectively (compared to the same periods of 2015) (source: Ministerio de Fomento), with increased housing and mortgage affordability both supporting demand and providing room for additional price increases. Asking rents in Madrid increased by 11.1% in the second quarter of 2017 (compared to the second quarter of 2016) (source: Fotocasa).

We have an attractive submarket presence in Madrid, with a substantial concentration in the city center (mainly within the boundaries of the M-30 ring road as shown in the map below), where approximately 58.4% of our premium market properties in Madrid in terms of GAV are located (with properties located principally in the Hortaleza district and, to a lesser extent, Chamartín, Tetuán, Arganzuela and Salamanca), and a significant presence in the second ring of Madrid (mainly within the boundaries of the M-40 ring road), where approximately 28.8% of our premium market properties in Madrid in terms of GAV are located (with properties located principally in the districts of Fuencarral-El Pardo, Ciudad Lineal and Villa de Vallecas and, to a lesser extent, in San Blas-Canillejas, Barajas and Moratalaz, among others). We are also present in large municipalities in Madrid, where approximately 12.8% of our premium market properties in Madrid in terms of GAV are located (with properties located principally in the municipalities of Alcorcón and Las Rozas and, to a lesser extent, Móstoles, Getafe, Torreldones, Leganés and Valdemoro).

The map below shows the distribution of our portfolio in Madrid:



The table below provides additional information on the break-down of our Madrid premium market properties by submarket:

Madrid Areas (Premium Market)	Total Portfolio				Residential Portfolio				
	GAV (€MM)	Madrid GAV (%) ⁽¹⁾	GRI (€MM) ⁽²⁾	Gross Yield(%) ⁽³⁾	No. Apartments	GAV (€sqm) ⁽⁴⁾	In-place residential rent (€/sqm/ month) ⁽⁵⁾	In-place residential rent (€/apt/ month) ⁽⁶⁾	Occupancy (%) ⁽⁷⁾
City center	847	58.4	24.0	2.8	2,041	4,498	10.9	945	91
Second-ring.....	418	28.8	13.5	3.2	1,497	2,955	9.1	829	88
Madrid City.....	1,264	87.2	37.5	3.0	3,538	3,817	10.1	896	90
Large municipalities	186	12.8	6.5	3.5	893	2,326	7.8	683	88
Total.....	1,450	100.0	44.0	3.0	4,431	3,520	9.6	854	89

(1) Aggregate GAV of our properties located in the relevant Madrid area as a percentage of the total GAV represented by our properties located in the autonomous region of Madrid.

(2) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.

(3) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12, over total GAV.

(4) Residential GAV divided by residential GLA as of December 31, 2017. Residential GLA includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.

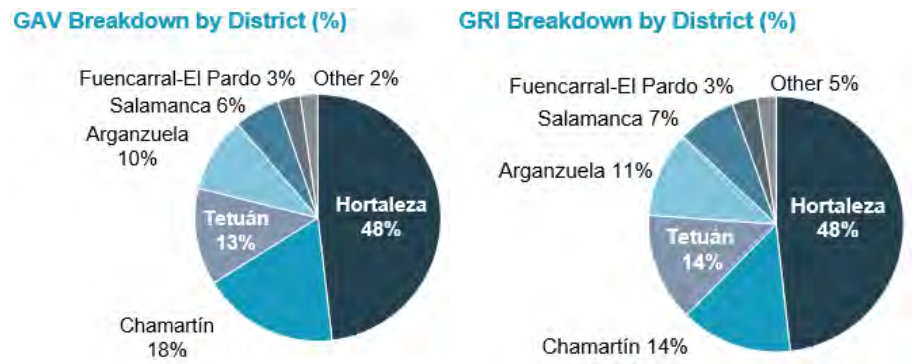
(5) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017 (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).

(6) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over the number of rented apartments as of December 31, 2017.

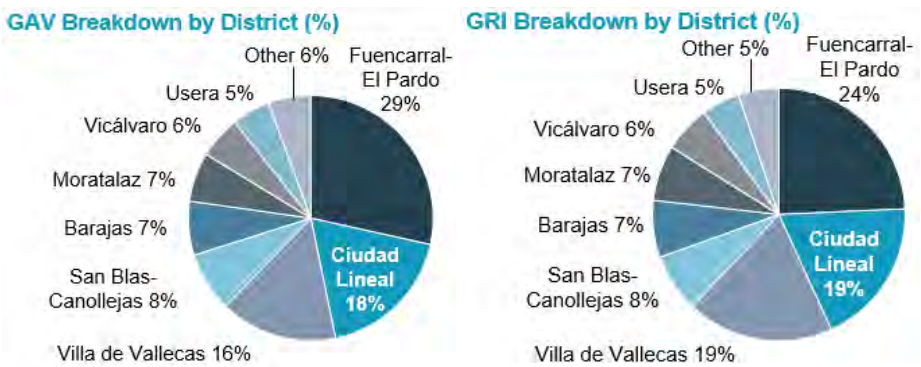
(7) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.

The below graphics provide additional information on the geographical break-down of GAV and GRI for our Madrid premium market properties:

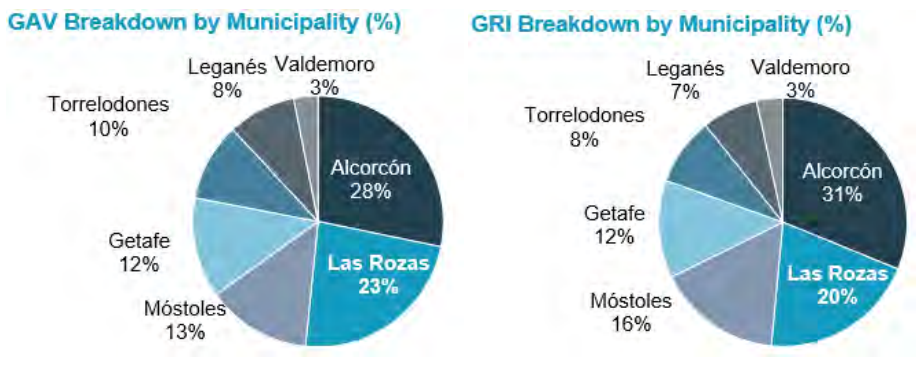
Madrid City Center



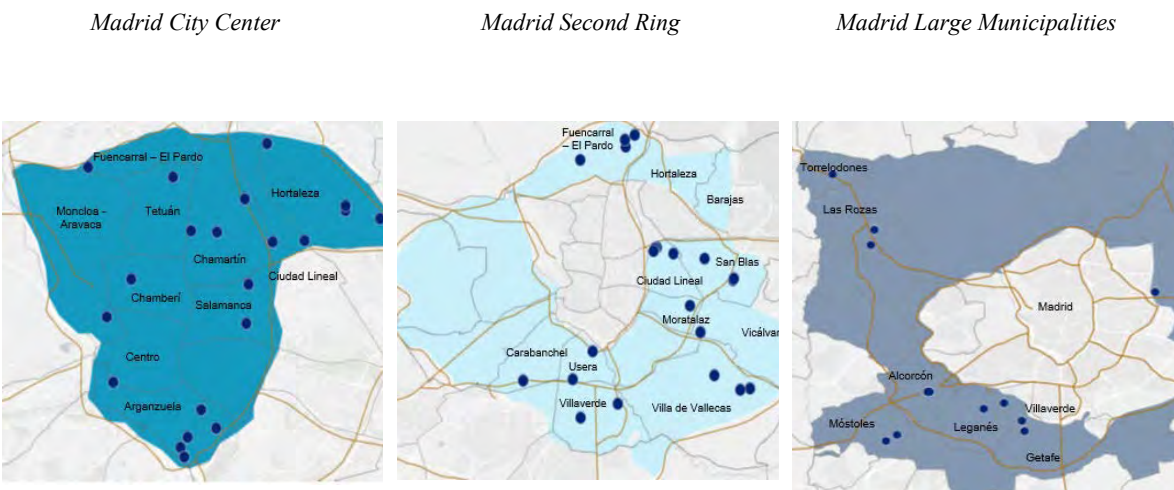
Madrid Second Ring



Madrid Large Municipalities

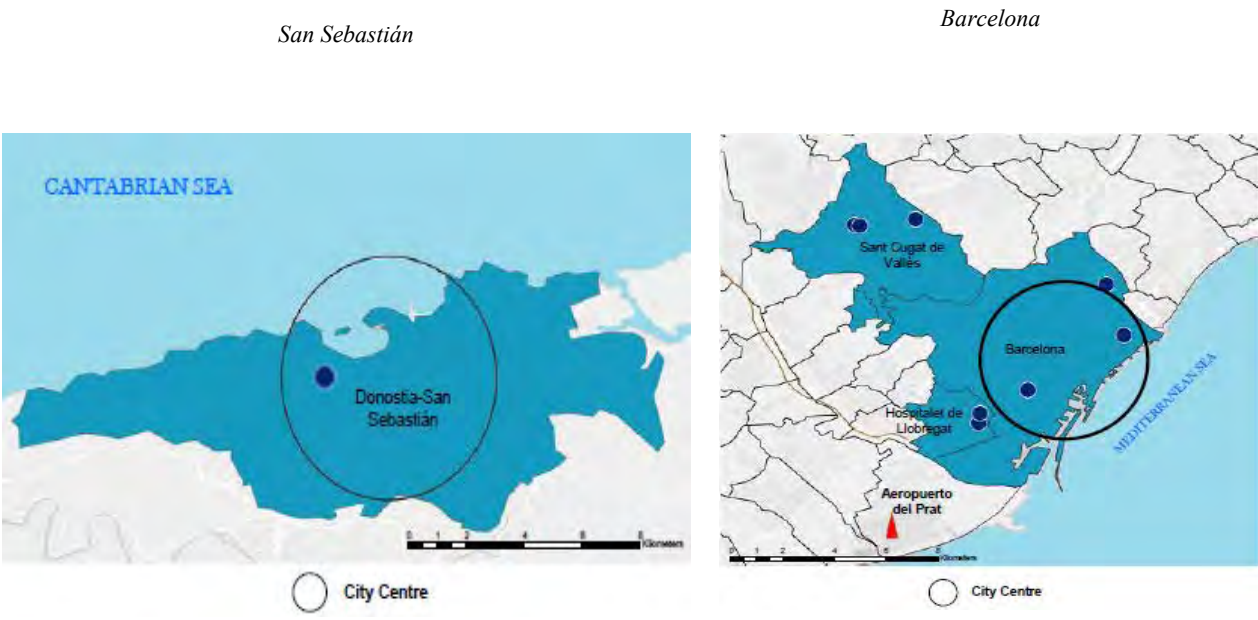


The maps below show the distribution of our portfolio in the locations indicated:



Other Premium Market Properties

Approximately 11.3% of our properties in terms of GAV are situated in premium market areas in the cities of San Sebastián and Barcelona, which are also among the wealthiest autonomous regions of Spain based on 2017 GDP per capita (source: INE). In San Sebastián our sole premium asset is located in one of the most exclusive areas of the city. In Barcelona, approximately 69% of the GAV of the local portfolio is located in Barcelona city and the rest is located in high-demand municipalities surrounding the city (Hospitalet de Llobregat and San Cugat del Vallès).



The table below provides additional information on our San Sebastián and Barcelona premium market properties:

Premium/Core Areas	Total Portfolio				Residential Portfolio			
	GAV (€MM)	GAV (%) ⁽¹⁾	GRI (€MM) ⁽²⁾	Gross Yield(%) ⁽³⁾	No. Apartments	GAV (€/sqm) ⁽⁴⁾	In-place residential rent (€/sqm/ month) ⁽⁵⁾	Occupancy (%) ⁽⁶⁾
San Sebastián	165	7.2	4.0	2.4	510	3,482	7.2	97
Barcelona	94	4.1	2.9	3.1	319	3,553	10.3	90
Total	259	11.4	6.9	2.7	829	3,507	8.2	95

(1) Aggregate GAV of the properties located in the relevant area as a percentage of our total GAV.

(2) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.

(3) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12, over total GAV.

(4) Residential GAV divided by residential GLA as of December 31, 2017. Residential GLA includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.

(5) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017, (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).

(6) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.

Other Premium and Core Metropolitan Areas

Additionally, we are present in other premium and core consolidated and dynamic locations in Spain, such as Las Palmas, Palma de Mallorca, Valencia, Pamplona, Alicante or Málaga. The table below provides additional information on the break-down of our other premium and core metropolitan areas properties by submarket:

Premium/Core Areas	Total Portfolio				Residential Portfolio				
	GAV (€MM)	GAV (%) ⁽¹⁾	GRI (€MM) ⁽²⁾	Gross Yield(%) ⁽³⁾	No. Apartments	GAV (€/sqm) ⁽⁴⁾	In-place residential rent (€/sqm/ month) ⁽⁵⁾	In-place residential rent (€/apt/ month) ⁽⁶⁾	Occupancy (%) ⁽⁷⁾
Las Palmas de Gran Canaria*	67	2.9%	2.5	3.8%	455	1,468	5.3	468	96%
Palma de Mallorca*	62	2.7%	2.4	3.9%	273	1,616	5.5	762	96%
Valencia**	56	2.5%	1.5	2.6%	225	2,161	5.1	578	94%
Toledo**	54	2.4%	2.1	3.9%	449	1,203	4.3	408	91%
Pamplona*	46	2.0%	2.1	4.5%	401	1,271	5.0	453	96%
Valladolid**	42	1.9%	1.6	3.7%	448	1,297	4.7	341	86%
Oviedo**	35	1.5%	0.9	2.7%	217	1,727	5.1	493	75%
Other Premium and Core Metropolitan Areas (Alicante, La Coruña, Vigo and Málaga)	84	3.7%	2.6	3.0%	499	1,816	5.4	490	87%
Total	446	19.6%	15.6	3.5%	2,967	1,540	5.0	481	91%

(*) Premium and (**) Core markets.

(1) Aggregate GAV of the properties located in the relevant area as a percentage of our total GAV.

(2) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.

(3) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12, over total GAV.

(4) Residential GAV divided by residential GLA as of December 31, 2017. Residential GLA includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.

(5) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017 (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).

(6) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over the number of rented apartments as of December 31, 2017.

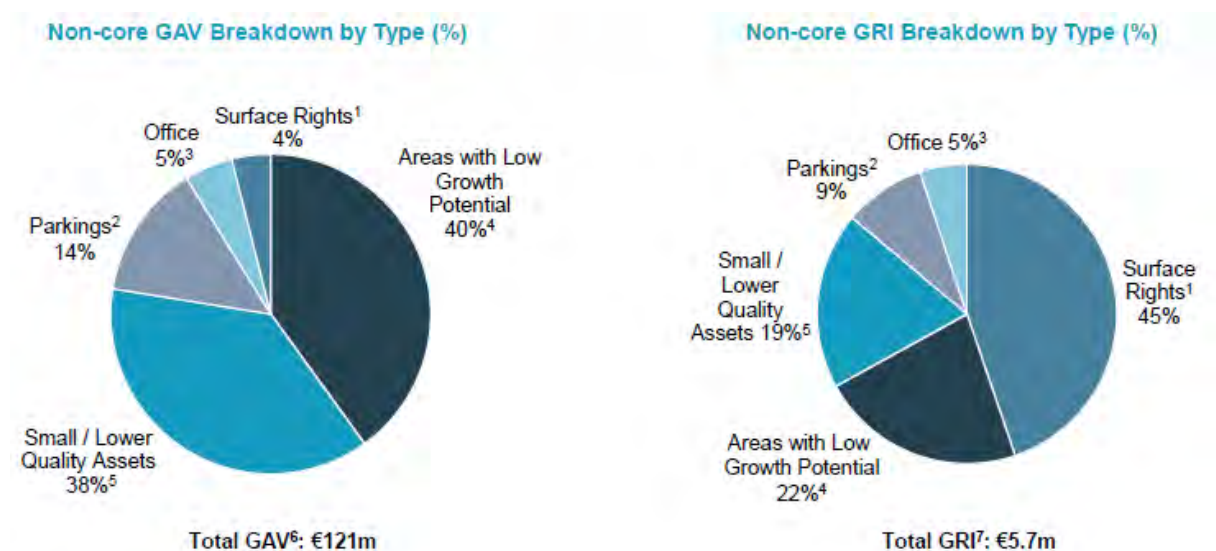
(7) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.

Non-core Assets

Our non-core assets portfolio is composed of properties representing approximately 5.3% of our portfolio in terms of GAV. We plan to selectively divest non-core assets following an in-house process to identify and efficiently dispose of properties that no longer fit our business objectives or in locations with low growth and development potential, taking advantage of the cycle upswing. We believe the significant local density of our portfolio, allows us to selectively sell properties without sacrificing the operating efficiency of our concentrated scale.

Our non-core assets include properties in respect of which we have surface rights that expire within the next five years (see “—Key Legal Features of Portfolio—Ownership Regime” below), non-core parking spaces, offices and assets located in areas with low development potential.

The graphics below show the breakdown of our non-core assets by type and their respective contribution to our GAV and GRI as of December 31, 2017:



- (1) Includes four properties in respect of which the Company has surface rights in Madrid, which expire within the next five years.
- (2) Includes parking spaces not rented together with our apartments.
- (3) Refers to our office building (Telémaco).
- (4) Includes properties in areas or micro-locations within certain areas with low growth potential (assets in Zaragoza, Madrid (Aranjuez), Badalona and in Lleida).
- (5) Includes properties in La Coruña, Barcelona, Valencia and Orense.
- (6) Based on the Valuation Report including both commercial and residential properties.
- (7) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.

Key Legal Features of Portfolio

Ownership Regime

We own the freehold (i.e., we own the property outright as opposed to holding only a surface right over a limited period of time) of approximately 93% of our properties in terms of GAV.

We hold surface rights in respect of the remaining portion of our portfolio. Such properties relate to five social housing regime projects (see “—Private and Social Housing” below), four of which are located in the autonomous region of Madrid (representing, in aggregate, 0.2% of our properties in terms of GAV) and one of which is located in a prime location in San Sebastián (Bentaberri, which represents 7.2% of our properties in terms of GAV). With respect to these properties, we hold surface rights over the land on which the properties are located (which is owned by the relevant regional government) and the right to operate such properties over a defined period of time —20 years in the case of the four social housing regime projects located in Madrid (with two of them expiring in 2018 and the other two expiring in 2020 and 2023, respectively) and 75 years in the case of the social housing regime project located in Bentaberri (which expires in 2069). After the expiration of such

defined periods of time, our surface rights will expire and our right to operate these buildings will revert to the relevant regional governments for no additional consideration to us.

The table below shows certain key performance indicators of the properties over which we hold surface rights as of December 31, 2017:

Properties	Location	GAV (€MM)	GAV (%)	GRI (€MM) ⁽¹⁾	No. Apartments	GAV (€/sqm) ⁽²⁾	In-place residential rent (€/sqm/ month) ⁽³⁾	Occupancy (%) ⁽⁴⁾	Surface right expiry date
Surface rights:									
Bentaberri ⁽⁵⁾	San Sebastián	165	7.2	4.0	510	3,482	7.2	97	12/23/2069
La Ventilla ⁽⁶⁾	Madrid	2	0.1	0.6	90	395	8.3	100	07/28/2023
Usera ⁽⁶⁾	Madrid	2	0.1	0.9	148	187	7.3	100	05/31/2020
Torrejón ⁽⁶⁾	Madrid	0.2	0.0	0.4	64	36	5.6	100	09/09/2018
Campo de Tiro ⁽⁶⁾	Leganés	0.2	0.0	0.6	80	28	7.1	100	05/22/2018
Total		169	7.4	6.5	892	2,202	7.2	98	

- (1) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.
- (2) Residential GAV divided by residential GLA as of December 31, 2017. Residential GLA includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (3) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017 (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).
- (4) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (5) We hold surface rights for a period of 75 years (until December 23, 2069). However, the related properties will cease to be subject to a social housing regime on November 17, 2028 (see “—Private and Social Housing” below), after which they will become free-rent properties. See “—Private and Social Housing” below.
- (6) These properties are entirely rented to a public regional entity (Instituto de la Vivienda de Madrid (IVIMA)) until the expiration of our surface rights. Accordingly, the occupancy rate is 100%. The surface rights for Campo de Tiro expired on May 22, 2018.

Private and Social Housing

Approximately 87.2% of our properties in terms of GAV are not subject to any social housing regime. We are primarily focused on the acquisition and management of properties that are not subject to any social housing regime since such properties typically attract higher-income tenants and better allow for our active property management practices, including the strategic revision of rents when possible. For a summary of the legal framework generally applicable to residential leases, see “*Regulation—Urban Leases - Residential Properties*”.

Residential properties representing 12.9% of our GAV are subject to some type of social housing regime for a defined period of time. These properties include properties in respect of which we hold surface rights (see “—*Ownership Regime*” above) and some are located in prime locations. This is the case of Bentaberri, in San Sebastián, which accounts for 7.2% of our GAV, 34.5% of our social housing regime GRI and 5.5% of our GRI as of December 31, 2017.

The terms of the relevant social housing regimes, including rental rates and the profile of tenants, differ from one social housing project to the other. In general, tenants must meet certain solvency profile requirements, including caps on household income. In addition, social housing regimes impose certain limitations and requirements on the manner in which we may manage the relevant properties, such as on our ability to freely amend rental rates, pass on costs to tenants or to freely determine the deposits and guaranties that may be requested from them. For additional information, see “*Regulation—Social Housing Regime*”.

As stated above, the restrictions imposed by social housing regimes elapse after a defined period of time. Once a property ceases to be subject to a social housing regime, it becomes a free-rent property. In the case of Bentaberri, in respect of which we hold surface rights for a period of 75 years (until December 23, 2069), it will cease to be subject to a social housing regime on November 17, 2028. Approximately 1,288 properties in our current portfolio will cease to be subject to a social housing regime and become free-rent properties in the next ten years, providing significant upside potential for our in-place rents, as shown in the following table:

Expiration of Social Housing Regime¹			
	Up to 5 years	5-10 years	More than 10 years
In-Place Rent (€/sqm/month).....	5.0	6.6	5.7

Expiration of Social Housing Regime¹

	Up to 5 years	5-10 years	More than 10 years
Savills ERV (€/sqm/month) (December 2017) ²	7.4	12.5	6.6
Upside Potential	49%	89%	16%
Upside Potential p.a.....	€1.1m	€3.8m	€0.4m

(1) Includes only rents that will become free rent and excludes rents that will be lost (i.e., rents attributable to social housing apartments in respect of which we have only temporary surface rights).

(2) ERV values provided by Savills and included in the Valuation Report. Assumes all portfolio apartments are rented at current market rental prices and that the portfolio has a 100% occupancy rate.

The table below shows certain key performance indicators of our properties subject to social housing regimes as of December 31, 2017:

Properties	Location	GAV (€MM)	GAV (%)	GRI (€MM) ⁽¹⁾	No. Apartments	GAV (€/sqm) ⁽²⁾	In-place residential rent (€/sqm/ month) ⁽¹⁾⁽³⁾	Occupancy (%) ⁽⁴⁾	Social regime expiry date
Social housing regime:									
Bentaberri ⁽⁵⁾⁽⁶⁾	S. Sebastián	165	7.2	4.0	510	3,482	7.2	97	11/17/2028
Estocolmo.....	Alcorcón	24	1.0	1.0	159	1,968	7.6	95	12/08/2024
Maria Moliner.....	Leganés	16	0.7	0.5	104	1,701	5.6	75	07/19/2018
Tajo	Valladolid	12	0.5	0.5	210	980	4.4	77	12/11/2036
E. Norte ⁽⁷⁾	Pamplona	11	0.5	0.6	124	1,101	4.9	96	08/01/2018
González Garcés.....	A Coruña	10	0.4	0.3	111	960	3.2	83	11/01/2018
Sanducelay	Pamplona	9	0.4	0.5	89	1,105	4.9	98	06/29/2028
Mandeo.....	A Coruña	9	0.4	0.3	136	1,026	4.6	98	05/31/2018
Miño.....	Valladolid	8	0.3	0.3	80	1,381	4.4	88	07/05/2029
Marcelo Celayeta.....	Pamplona	8	0.3	0.4	70	1,157	4.8	98	03/29/2030
Can Mates IV.....	San Cugat	7	0.3	0.3	62	1,527	6.7	93	06/02/2019
La Rochapea.....	Pamplona	4	0.2	0.2	36	1,130	4.8	90	07/18/2042
Sandúa.....	Pamplona	4	0.2	0.2	34	1,127	4.6	94	11/04/2019
Can Mates III.....	San Cugat	3	0.1	0.1	24	1,341	6.3	100	07/03/2021
La Ventilla ⁽⁵⁾⁽⁸⁾	Madrid	2	0.1	0.6	90	395	8.3	83	07/18/2042
Usara ⁽⁵⁾⁽⁸⁾	Madrid	2	0.1	0.9	148	187	7.3	94	11/04/2019
Torrejón ⁽⁵⁾⁽⁸⁾	Madrid	—	—	0.4	64	36	5.6	100	04/14/2033
Campo De Tiro ⁽⁵⁾⁽⁸⁾	Leganés	—	—	0.6	80	28	7.1	100	04/23/2031
Total.....		293	12.9	11.6	2,131	1,714	6.1	93	

- (1) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.
- (2) Residential GAV divided by residential GLA as of December 31, 2017. Residential GLA includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (3) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017 (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).
- (4) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).
- (5) Properties in respect of which we hold surface rights (see "—Ownership Regime" above).
- (6) We hold surface rights for a period of 75 years (until December 23, 2069). See "—Ownership Regime" above. However, the related properties will cease to be subject to a social housing regime on November 17, 2028, after which they will become free-rent properties.
- (7) The social housing regime for E. Norte expired in 2017. However we filed an extension with the regional government of Navarra whereby we agreed to extend for one year the term of existing leases. Consequently, our tenants will continue to perceive social housing subsidies from the regional government and rental rate limits and tenant solvency profile requirements continue to apply. However, E. Norte is not subject to other customary social housing regime terms and conditions. These extensions will expire on August 1, 2018 or November 1, 2018, depending on the particular property within the E. Norte complex. The resolutions passed by the regional government of Navarra may be renewed in the future.
- (8) We hold surface rights in respect of these properties and they are entirely rented to a public regional entity (Instituto de la Vivienda de Madrid (IVIMA)) until the expiration of our surface rights. Accordingly, the occupancy rate is 100%. The surface rights for Campo de Tiro expired on May 22, 2018.

Pre-1995 Lease Agreements – Old Rent Properties

A limited number of our in-place lease agreements were entered into prior to 1995 (before the Spanish Lease Act became effective) and are therefore subject to terms that are significantly more favorable to the tenants. These lease agreements typically provide for rents that are significantly below market levels and our ability to increase rents and to pass on costs to tenants is very limited. In addition, these lease agreements typically provide for their compulsory lease extension (*prórroga forzosa*) at the election of the tenant. Furthermore, subject to certain conditions, upon decease of a tenant, certain family members of the tenant may take over the lease on the same terms. See "Risk Factors—Risks Relating to our Company —Certain of our lease agreements were entered into prior to 1995".

The table below shows certain key performance indicators of our properties subject to old rent (*renta antigua*) lease agreements as of December 31, 2017:

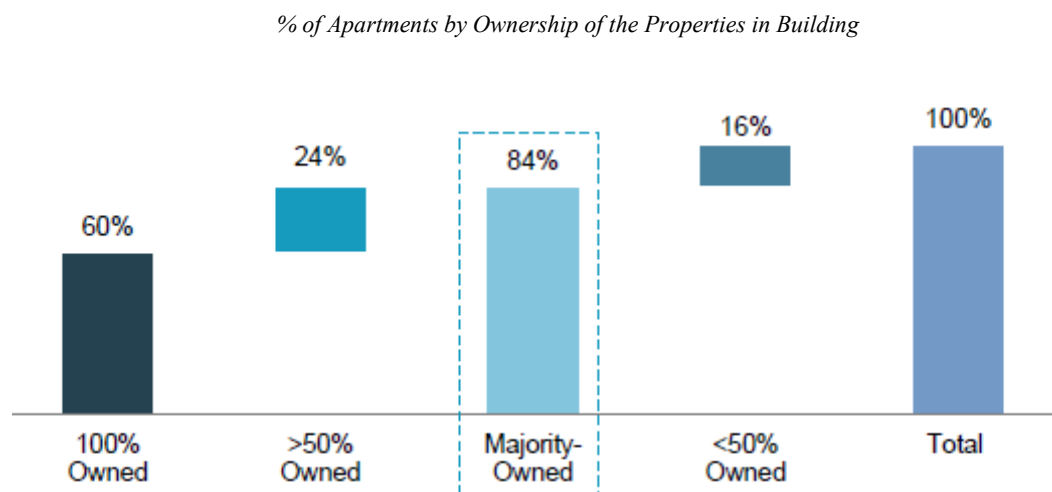
Properties	Location	GRI (€MM) ⁽¹⁾	No. Apartments	In-place residential rent (€/sqm/month) ⁽¹⁾⁽²⁾	Occupancy (%) ⁽³⁾
Old rent					
Manzana Castellana.....	Madrid	0.4	86	2.5	100
Torrelaguna	Madrid	0.1	11	6.4	100
C. Venadito.....	Madrid	0.1	7	9.1	100
Bac de Roda.....	Barcelona	—	8	3.5	100
Montevideo.....	A Coruña	—	10	2.4	100
Trinxant	Barcelona	—	8	1.3	100
Campanar.....	Valencia	—	8	0.3	100
Cesáreo Alierta	Zaragoza	—	2	8.1	100
Parque America-Caribe.....	Madrid	—	2	13.1	100
Total.....		0.7	142	3.1	100

- (1) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.
- (2) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017 (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).
- (3) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.

Control over Buildings

Many of our properties are located in buildings structured as condominiums (*propiedad horizontal*), which typically require decisions affecting the building to be taken in the assembly of property owners (*junta de propietarios*) by majority. In general, the passing of decisions requires the favorable vote of a double majority: (i) the majority of the owners which, in turn, represent (ii) the majority of the co-ownership quotas (i.e. interest in the condominium). See "*Regulation—Community of Owners—Adoption of Resolutions*" for information on the majorities required for the adoption of resolutions. Co-ownership quotas are generally based on the private and communal elements of the building which are assigned to each property (the larger the property is, the greater the co-ownership quota will generally be). In this respect, each property in the condominium is assigned a co-ownership quota, the calculation of which takes several factors into consideration, such as its surface, its location within the building (inside or outside) or foreseeable use of common elements by its owners or users. The size of our co-ownership quota in a condominium therefore affects our ability to implement our strategies. In addition, owning several properties in the same building or in close proximity among each other presents numerous advantages in terms of management efficiency and strategy.

Approximately 84% of our apartments are located in buildings in which we own the majority of the properties, with approximately 60% of our properties being located in buildings which are entirely owned by our Company. The below graphic shows the distribution of our residential portfolio based on the level of control we have over the buildings in which such properties are located:



Top 10 Property Complexes

Our 10 most relevant property complexes (some of which comprise several buildings) in terms of GAV are part of our premium and core markets and represent approximately 46.2% of our GAV, an GRI as of December 31, 2017 of €30.0 million and almost one third of the total number of apartments in our portfolio.

Additionally, we requested an internal valuation from Savills on our top 10 property complexes by GAV as at April 30, 2018. We limited the scope of our valuation to these assets in view of their weight in our total portfolio in terms of GAV. The purpose of this report was to assess the evolution of capital value growth in such a relevant part of our portfolio and to prepare for the valuation of our entire portfolio as of June 30, 2018. This valuation confirmed our assumptions, showing that quarterly capital value growth for our Top 10 property complexes maintained momentum tracking rent growth in the first quarter of 2018. In any case, it is important to note that this report exclusively analyzes our Top 10 property complexes. The results of this report may have varied should it have covered our total portfolio and, therefore, are not applicable and must not be extrapolated to our total portfolio or seen as an indication of the valuation of our entire portfolio as of June 30, 2018.

Such property complexes are located principally in the autonomous region of Madrid and, to a lesser extent, in San Sebastián and in strong micro-locations in Palma de Mallorca, Las Palmas de Gran Canaria and Valencia. Within Madrid, Coto is the most relevant property complex, accounting for approximately 17.5% of our GAV. As of December 31, 2017, our 10 most relevant property complexes showed higher occupancy rates (approximately 93%) than our residential portfolio average (approximately 89.5%), due to their high-quality and core locations.

The table below shows certain key performance indicators of our top 10 property complexes as of December 31, 2017:

Properties	Location	Total Portfolio					Residential Portfolio			
		GAV (€MM)	GAV (%)	GRI (€MM) ⁽²⁾	GRI (%) ⁽²⁾	Gross Yield(%) ⁽³⁾	No. Apartments	GAV (€/sqm) ⁽⁴⁾	In-place residential rent (€/sqm/month) ⁽⁵⁾	Occupancy (%) ⁽⁶⁾
Coto ^(*) (1)	Madrid	399	17.5	11.3	15.6	2.8	834	4,963	11.8	93
Bentaberni ^(**)	S. Sebastián	165	7.2	4.0	5.6	2.4	510	3,482	7.2	97
Manzana de Castellana ^(*)	Madrid	143	6.3	3.1	4.3	2.2	245	3,926	7.6	89
Plaza de Castilla ^(*) (7)	Madrid	108	4.7	3.3	4.6	4.6	302	5,609	12.3	90
C. Venadito ^(*)	Madrid	47	2.1	1.6	2.2	3.1	149	2,808	9.5	84
Salvador Dali ^(*)	Palma de Mallorca	46	2.0	1.8	2.5	4.0	216	1,462	5.0	97
Tamaraceite ^(*)	Las Palmas de Gran Canaria	45	2.0	1.8	2.5	4.1	363	1,256	5.1	97
Mirador Tablas B11 ^(*)	Madrid	38	1.7	1.2	1.6	3.1	123	3,126	9.3	86
Benicalap ^(**)	Valencia	31	1.4	0.8	1.2	2.7	147	1,920	4.8	95
Francisco Remiro ^(*)	Madrid	30	1.3	1.1	1.5	3.5	140	3,998	12.2	97
Top 10 property complexes		1,051	46.2	30.0	41.5	2.9	3,029	3,483	8.5	93
Rest of properties		1,224	53.8	42.2	58.4	3.5	6,215	2,132	7.0	88
Total portfolio		2,275	100.0	72.3	100.0	3.2	9,244	2,593	7.5	90

(*) Premium market; (**) Core market

(1) Refers only to the six Coto housing developments.

(2) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.

(3) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12, over total GAV.

(4) Residential GAV divided by residential GLA as of December 31, 2017. Residential GLA includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.

(5) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017 (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).

- (6) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (7) Excluding the Plaza de Castilla parking with a GAV of €15.3 million as this property is part of our non-core segment.

The Valuation Report contains a detailed breakdown of the key valuation assumptions for our top 10 property complexes both for properties valued under the investment methodology and properties valued under the liquidation methodology. Additional information on our top three property complexes is provided below.

Coto

Coto is the largest property complex in our portfolio and its six housing developments which are within our top 10 properties represent approximately 17.5% of our aggregate GAV. It is characterized by high occupancy rates (approximately 93% as of December 31, 2017), high in-place rents and financially solvent tenants. New contracts signed between January and March 2018 have been entered into with tenants averaging 43 years of age, €3,426 monthly household income and a 33% affordability ratio (calculated as the monthly rent divided by the total household net income). Coto is mainly comprised of these six housing developments located in a quiet residential area in close proximity to the city center of Madrid, with quick access to the M-40 ring road and to the Adolfo Suárez Madrid-Barajas airport. It is also well-connected to key facilities such as public transportation, schools, daycare centers, health centers, banks, restaurants and shops as well as La Hinojosa golf course, the Campo de las Naciones business area and El Corte Ingles shopping mall. Coto housing developments include large green areas, swimming pools and common social and leisure areas.

In addition to the Coto property complex, we also hold our office building (Telémaco) and our stand-alone Plaza de Castilla parking within our Coto subsidiary.

The table below shows certain key performance indicators of the six Coto housing developments as of December 31, 2017:

Properties	Total Portfolio				Residential Portfolio			
	GAV (€MM)	GAV (%)	GRI (€MM) ⁽¹⁾	Gross Yield(%) ⁽²⁾	No. Apartments	GAV (€sqm) ⁽³⁾	In-place residential rent (€/sqm/month) ⁽¹⁾⁽⁴⁾	Occupancy (%) ⁽⁵⁾
Las Huertas	91	4.0	2.4	2.7	184	4,919	11.2	93.0
Los Castaños	83	3.6	2.3	2.8	148	4,916	11.4	95.4
Los Olivos	77	3.4	2.0	2.6	171	4,889	11.6	91.2
Las Encinas	67	2.9	2.0	3.0	136	4,960	12.3	92.5
La Rosaleda	44	1.9	1.5	3.4	107	5,502	13.5	87.6
Los Robles	37	1.6	1.0	2.7	88	4,923	12.1	91.9
Total Coto housing developments	399	17.5	11.3	2.8	834	4,963	11.8	93.0

- (1) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12.
- (2) Calculated as passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12, over total GAV.
- (3) Residential GAV divided by residential GLA as of December 31, 2017. Residential GLA includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (4) Calculated as passing gross residential rents (€/month) per the Company's lease agreements as of December 31, 2017, over rented residential GLA as of December 31, 2017 (including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas).
- (5) Rented residential GLA as of December 31, 2017 divided by residential GLA as of December 31, 2017, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.

Below is a summary of the main characteristics of the Coto housing developments:

- (i) *Las Huertas*. Construction was completed in 1995 and is comprised of a three building condominium complex with a total built surface of 16,987 square meter. Each of the buildings is comprised of two basement floors, a ground floor (with commercial assets included) and four floors. The housing development also includes a swimming pool, a multisport court, paddle tennis courts and a gym and provides tenants with day-time janitor services and night-time security surveillance.
- (ii) *Los Castaños*. Construction was completed in 1997 and is comprised of a four building condominium complex with a total built surface of 15,750 square meters. Each of the buildings is comprised of two

basement floors, a ground floor (with commercial assets included) and four floors. The housing development includes a swimming pool, paddle tennis courts, a multisport court and a gym. The ground floor is comprised of certain facilities and the gym. It also provides tenants with day-time janitor services and night-time security surveillance.

- (iii) *Los Olivos*. Construction was completed in 2001 and is comprised of a four building condominium complex. The housing development includes extensive green areas, a swimming pool, two paddle tennis courts, a gym and a multisport court and provides tenants with day-time janitor services and night-time security surveillance.
- (iv) *Las Encinas*. Construction was completed in 2002 and is comprised of a two building condominium complex with a total built surface of 12,248 square meters. The housing development includes large green areas, swimming pool, a paddle tennis court, gym and a multisport court and provides tenants with day-time janitor services and night-time security surveillance.
- (v) *La Rosaleda*. Construction was completed in 1992 and is comprised of a three building condominium complex with a total built surface of 5,661 square meters. Each of the buildings is comprised of two basement floors, the ground floor with commercial assets and apartments with private gardens and four floors. The housing development includes a swimming pool, paddle tennis courts and a gym and provides tenants with day-time janitor services and night-time security surveillance.
- (vi) *Los Robles*. Construction was completed in 1996 and is comprised of a two building condominium complex with a total built surface of 7,425 square meters. Each of the buildings is comprised of a ground floor, four floors and a basement floor. The property also includes a swimming pool and gym and provides tenants with day-time janitor services and night-time security surveillance.

Bentaberri and Manzana de Castellana

Bentaberri represents approximately 7.2% of our GAV and, as of December 31, 2017, it showed higher occupancy rates (approximately 97%) than our residential portfolio average (approximately 89.5%). It is a premium property complex located in one of the most exclusive areas of San Sebastián. New contracts signed between January and March 2018 have been entered into with tenants averaging 37 years of age, €2,473 monthly household income and a 30% affordability ratio (calculated as the monthly rent divided by the total household net income). It comprises one-, two- and three-bedroom apartments equipped with storage units and parking spaces. The complex is surrounded by green areas and has easy access to public transportation, sports centers and universities. It is also located at walking distance to the beach. As stated above, this complex is subject to a social housing regime that will expire on November 17, 2028, while our surface rights in respect of the complex will expire on December 23, 2069. For additional information, see “—Portfolio in Detail—Key Legal Features of Portfolio”.

Manzana de Castellana represents approximately 6.3% of our GAV. It is an exclusive complex located in the city center of Madrid, in one of the most emblematic avenues of the city, characterized by its limited new supply and strong demand and the relaxed and familiar atmosphere. New contracts signed between January and March 2018 have been entered into with tenants averaging 50 years of age, €6,022 monthly household income and 29% affordability ratio (calculated as the monthly rent divided by the total household net income)). The complex consists of one-, two- and three-bedroom apartments with equipped kitchen and concierge services. The complex has easy access to public transportation, restaurants, shops and universities.

BuildingCenter Portfolio

On March 23, 2018, we reached an agreement (the “**New Portfolio Purchase Agreement**”) to acquire a portfolio of 1,458 apartments integrated in 42 buildings from BuildingCenter, S.A.U., the real estate subsidiary of CaixaBank, S.A. (the “**BuildingCenter Portfolio**”) for an aggregate purchase price of approximately €227 million which was agreed between the parties on arm’s length terms. The acquisition of the BuildingCenter Portfolio has been financed with two mortgage loans entered into with ING Bank N.V. and CaixaBank, S.A. for an amount of approximately €130 million and €99 million, respectively. Both mortgage loans have a 7-year maturity, a floating interest rate tied to EURIBOR + 100 bps, a first-ranking mortgage over certain separate real estate assets and a pledge over credit rights under certain agreements. Additionally, in the context of the transaction and to determine the aforementioned purchase price, we requested a valuation with respect to the BuildingCenter Portfolio from Savills. This valuation was dated October 30, 2017 and, based on the information

that was provided to Savills in the context of the transaction, it estimated an aggregate market value for the valued properties of €228,329,000. Furthermore, in the context of the financing of the BuildingCenter Portfolio through the aforementioned mortgage loans and pursuant to Order ECO/805/2003, of March 27, on property appraisal regulations and certain rights for specific financial purposes (the “**ECO Order**”), eight independent real estate appraisers designated by the mortgage lender, CaixaBank, S.A., to appraise the BuildingCenter Portfolio. These appraisers arrived at the opinion that the aggregate market value of the 38 buildings acquired on May 24, 2018 was €248,803,769 and the 3 buildings acquired on June 21, 2018 was €19,181,337.54. The ECO order valuation shows an increase in the value of these 41 buildings of the Building Portfolio of approximately 18% when compared to Savill’s valuation of said properties as of October 30, 2017. In any case, it is important to note that this report exclusively analyzes the BuildingCenter Portfolio. The results of this report may have varied should it have covered our total portfolio and, therefore, are not applicable and must not be extrapolated to our total portfolio or seen as an indication of the valuation of our entire portfolio as of June 30, 2018.

As of March 2018, the 42 buildings conforming the BuildingCenter Portfolio had an estimated occupancy rate of approximately 92% and are expected to contribute an estimated €9.3 million of annual gross rental income to our Company and achieve a rental uplift of approximately 11% compared to BuildingCenter Portfolio’s in-place rents within one year (as the weighted average unexpired leasehold term of the portfolio is approximately one year). The BuildingCenter Portfolio is mainly situated in Madrid, Palma de Mallorca, Barcelona and Valencia, with approximately 65% of the aggregate purchase price being attributable to apartments situated there, while the rest of the purchase price relates to apartments located in other metropolitan areas in Spain. Following the full completion of this acquisition, we will own 10,623 apartments in Spain, mainly located in Madrid and with a prominent presence also in San Sebastián, Barcelona and Valencia.

The acquisition is being executed by on a “by building” or “by complex” basis, wherein each apartment of the BuildingCenter Portfolio is integrated, through several closings upon fulfilment of the relevant conditions precedent. As of the date of this Informational Document, we have already acquired 1,450 apartments located in 41 of the 42 buildings that comprise the BuildingCenter Portfolio for a purchase price of approximately €226 million pursuant to the aforementioned acquisition of May 24, 2018 and a subsequent acquisition on June 21, 2018. The acquisition of the only building forming part of the BuildingCenter Portfolio which is pending (which comprises 8 apartments and 9 parking spaces) is subject to the fulfilment (or waiving) of certain conditions precedent on or before October 18, 2018.

The following table shows certain key information on the BuildingCenter Portfolio:

Portfolio Highlights		Key Financial Highlights		Features of Portfolio	
Apartments	1,458	GRI	c.€9.3 million ⁽²⁾ (€6.7/sqm/month) ⁽³⁾	Apartments in Freehold ⁽⁶⁾	100%
GLA (in thousands)	130 sqm	Purchase Price	c.€227 million ⁽⁴⁾	Apartments in Majority-owned Buildings ⁽⁷⁾	74%
Occupancy ⁽¹⁾	92%	Entry Gross Yield	3.8% ⁽⁵⁾	GRI Free-rent ⁽⁸⁾	93%

(1) Rented GLA as of March 31, 2018 divided by GLA as of March 31, 2018, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.

(2) Passing monthly gross rents per the lease agreements in place as of March 31, 2018, multiplied by 12. Includes both commercial and residential property rents. The GRI of this portfolio amounts to 12.8% of our GRI as of December 31, 2017.

(3) Calculated as passing monthly gross rents per the lease agreements in place as of March 31, 2018, divided by the rented GLA as of March 31, 2018. Rented GLA includes the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas. Includes both commercial and residential property rents.

(4) The purchase price could be subject to adjustments in the event of a partial acquisition of the BuildingCenter Portfolio as described above.

(5) Calculated as GRI as of March 31, 2018, over purchase price.

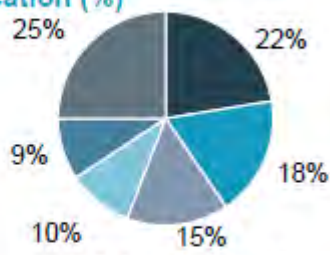
(6) Apartments we would own outright, in perpetuity, as opposed to holding only a surface right for a limited period of time, once the acquisition is completed.

(7) Apartments located in buildings in which we would own 50% or more of the properties, once the acquisition is completed.

(8) Percentage of GRI relating to properties which are not subject to (i) a social housing regime; or (ii) contracts under old rent regime (“*renta antigua*”).

The following graphs provide additional information on the geographic distribution of the BuildingCenter Portfolio, based on the relative weight of properties located in each region on the purchase price and the GRI:

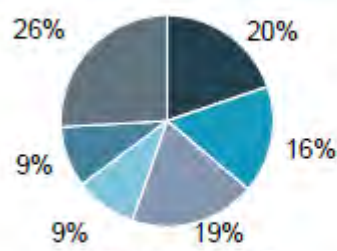
Purchase Price Breakdown by Location (%)



Total: c.€228m^{1,2}

■ Mallorca ■ Barcelona ■ Madrid ■ Valencia ■ Almeria ■ Others

GRI Breakdown by Location (%)

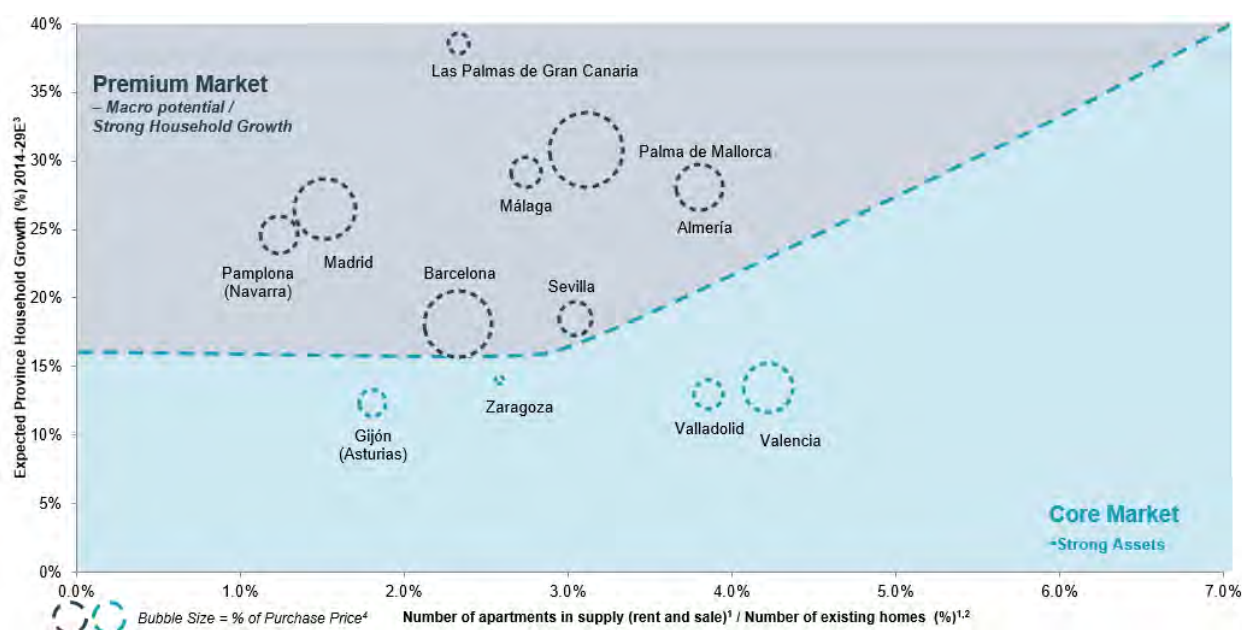


Total: c.€8.7m³

- (1) Rented GLA as of March 31, 2018 divided by GLA as of March 31, 2018, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (2) Includes both commercial and residential units.
- (3) Passing monthly gross rents per the lease agreements in place as of March 31, 2018, multiplied by 12.

The BuildingCenter Portfolio will allow us to consolidate our leading position in certain of our key focus markets, such as Mallorca, Barcelona, Madrid, Pamplona and Málaga, and to enter into new high-growth markets such as Seville or Almería. We believe that the BuildingCenter Portfolio complies with our portfolio management strategy, since (i) the majority of the apartments are located in metropolitan areas with high occupancy rates and a positive household creation outlook; (ii) the majority of the apartments are located in buildings in which we would own the majority of the properties; and (iii) properties representing approximately 82% of the aggregate purchase price are located in premium markets, while properties representing approximately 18% of the aggregate purchase price are located in core markets (for additional information on our market segmentation, see “—Our Portfolio—Portfolio in Detail—Portfolio Segmentation”). Furthermore, of the 1,458 apartments that make up the BuildingCenter Portfolio, 106 apartments are subject to social housing regime, 7 to old rent regime (*renta antigua*) and 98 apartments are located within three of the BuildingCenter Portfolio’s buildings which are more than 20 years old.

In this regard, the graphic below shows the size of our premium market and core market segment for the BuildingCenter Portfolio based on the two key features of their respective location: expected household growth and housing supply:



- (1) In a range of surfaces between 60 and 120 sqm. Ratio provided at a province level, with the exception of Navarra, Asturias and Almería for which the ratio is provided at a municipality level (Pamplona, Gijón and Almería, respectively).

- (2) Housing stock data from Spanish cadastral registry (Catastro) as of November 2017, except with respect to the Basque Country (Eurostat, July 2017) and Navarra (Instituto de Estadística de Navarra, 2011). Apartments supply information is based on data gathered from Idealista during 2017.
- (3) Expected household growth 2014-2029 based on Bank of Spain maximum scenario, which is based on household growth projections published by the INE in October 2014 but then assumes growing headship rates (*tasas de jefatura*) until reaching, in 2019, the annual average growth rate of 2002-2014 or, if such growth is negative, it assumes constant growth so that the maximum headship rates reached in the 2002-2014 period are achieved in 2029 and assumes the existence of growing immigration which stabilizes from 2019 onwards at the average rate of the 2002-2014 period.
- (4) As a percentage of the aggregate purchase price stipulated in the New Portfolio Purchase Agreement.

The table below shows certain key performance indicators of our portfolio by segmentation cluster and region adjusted to reflect the potential impact of the completion of the BuildingCenter Portfolio acquisition (assuming all properties are acquired):

Segment/Metropolitan Area	GAV/Purchase price(€MM) ⁽¹⁾	GAV/Purchase price (%) ⁽¹⁾	GRI (€MM) ⁽²⁾	GRI (%) ⁽²⁾	GLA (thousand sqm) ⁽³⁾	GLA (%)
Premium and core markets						
Madrid ^{(4)(*)}	1,525	60.9%	49.4	61.0%	477.7	47.2%
San Sebastián ^(**)	165	6.6%	4.0	4.9%	47.3	4.7%
Barcelona ^(*)	146	5.8%	4.6	5.7%	47.1	4.7%
Las Palmas de Gran Canaria ^(*)	72	2.9%	2.8	3.4%	53.6	5.3%
Palma de Mallorca ^(*)	113	4.5%	4.1	5.1%	66.8	6.6%
Valencia ^(**)	80	3.2%	2.3	2.8%	43.3	4.3%
Toledo ^(**)	54	2.1%	2.1	2.6%	46.1	4.6%
Pamplona ^(*)	60	2.4%	2.7	3.3%	45.8	4.5%
Valladolid ^(**)	51	2.1%	1.8	2.3%	38.1	3.8%
Oviedo ^(**)	43	1.7%	1.3	1.6%	26.5	2.6%
Top 10 Markets	2,308	92.2%	75.0	92.7%	892	88.2%
Other locations ⁽⁵⁾	196	7.8%	5.9	7.3%	70.8	2.1
Total premium and core markets	2,504	100.0%	81.0	100.0%	964.4	90.4
Non-core assets.....	120	4.8	1.9	7.0	47.6	9.5
Total portfolio	2,504	100.0	81	100.0	1,012	100.0

(*) Premium market; (**) Core market

- (1) Includes (i) with respect to our current portfolio, GAV based on the Valuation Report; and (ii) with respect to the BuildingCenter Portfolio, the aggregate purchase price stipulated in the New Portfolio Purchase Agreement. Includes both commercial and residential properties.
- (2) Includes (i) with respect to our current portfolio, passing monthly gross rents per the Company's lease agreements as of December 31, 2017, multiplied by 12; and (ii) with respect to the BuildingCenter Portfolio, passing monthly gross rents per the lease agreements in place as of March 31, 2018, multiplied by 12. Includes both commercial and residential properties.
- (3) Residential GLA means the GLA of apartments that corresponds to the aggregate constructed surface (*superficie construida*) of our apartments as reported in the Spanish Cadastral Registry or the Spanish Property Registry (*Registro de la Propiedad*) as applicable, that includes the floor area of the apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (4) Refers to the autonomous region of Madrid.
- (5) Includes Alicante, La Coruña, Vigo and Málaga.

Additional BuildingCenter Parking Spaces

On June, 21 2018, we purchased from BuildingCenter, S.A.U. six additional parking spaces of a building included in the BuildingCenter Portfolio for a purchase price of €24,356.58 (the “**Additional BuildingCenter Parking Spaces**”).

Organizational Structure

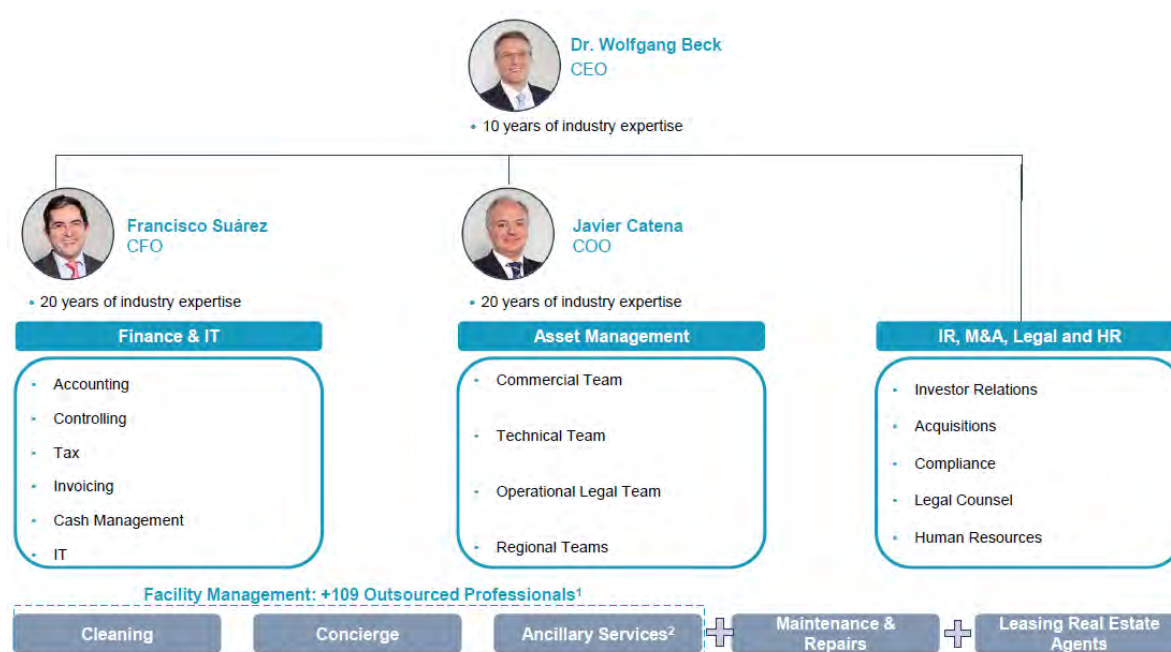
We are internally managed and we have a fully-integrated highly-scalable operating platform with significant resources and extensive experience that allows us to effectively and efficiently acquire, renovate, lease, maintain and manage our rental portfolio.

Our platform consists of 80 highly skilled full-time employees, making our dedicated team one of the largest of its type in Spain. Our operating platform is mostly centralized in Madrid, where our corporate headquarters and the majority of our properties are located. We also operate property management offices in San Sebastián, Barcelona, Valladolid and Las Palmas de Gran Canaria, since we believe that the close proximity to and knowledge of such local markets by our regional offices facilitate the management of our portfolio in these regions and support the generation of new business opportunities. Our platform has been structured to maximize its scalability and currently comprises three key areas: (i) Asset Management, (ii) Finance & IT and (iii) Investor

Relations, Mergers and Acquisitions, Legal and Human Resources. These three areas are fully coordinated to provide services along the most relevant parts of the value chain. In addition, our in-house platform is supported by services outsourcing companies which employ approximately 109 external professionals who carry out auxiliary third party services (such as handyman services, electrician services, etc.). We also work with maintenance and repair service providers and with various leasing real estate agencies in the commercialization of our portfolio.

We have standardized various key processes in our business operations to ensure a smooth and efficient workflow and facilitate the continuous interactions among our platform units. 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:



(1) Includes both full-time and part-time outsourced employees.

(2) Consists of other auxiliary third-party services such as handyman services, electrician services, etc, as of March 31, 2018.

Additional information on each of our business areas is included below.

- (i) *Asset management*: This is our largest business area in our platform and is made up of experienced professionals who are responsible for carrying out the full panoply of our active asset management initiatives. For additional information on such initiatives, see “—Business Operations—Operational Strategy” and “—Business Operations—Capex Strategy”. Among its tasks, our asset management area is responsible for the commercialization of our portfolio (in close collaboration with external leasing real estate agencies) and the customer service functions. It is also responsible for the maintenance and modernization of our portfolio and the optimization of property operating expenses. The area includes commercial and technical teams and professionals who are specialized in and dedicated to our retail assets.
- (ii) *Finance and IT*: Our finance team is primarily responsible for financial controller functions, including the supervision of financial accounting, internal reporting, auditing and treasury and budget control. It seeks to ensure that the Group has sufficient available liquidity to fund both its operations and its potential investment opportunities. In particular, it regularly monitors debt maturities, interest rate evolution, refinancing and hedging opportunities, and potential opportunities for the overall improvement in our financing structure. Our finance team also monitors compliance with undertakings

and covenants included in our financing agreements. Moreover, our finance team is responsible for rent collection and the management of outstanding rent.

This area is responsible for overseeing our IT infrastructure needed to support our platform and the adequate provision of IT related services which are externalized as explained in “—*Information Technology*”. It is also responsible for designing and overseeing the transition from Merlin Properties’ IT platform to our own IT platform, which is due to be completed by the end of 2018. For more information see “—*Information Technology*”.

- (iii) *Investor Relations, Mergers and Acquisitions, Legal and Human Resources*: Our investor relations manager is responsible for maintaining a close dialogue with investors and analysts. Our M&A area is primarily responsible for the identification of new investment opportunities and the smooth execution of our acquisitions. In particular, our M&A area is generally responsible for identifying properties that fit our business strategy, carrying out a comprehensive business plan analysis on such assets, coordinating the due diligence process and negotiating acquisition terms. In analyzing potential acquisitions, our M&A area works in close coordination with our finance team, which prepares a detailed cost and financing plan for the relevant acquisition, and with our legal team, which carries out the legal due diligence and the negotiation of any agreements. For additional information on our approach to selecting acquisition targets and completing acquisitions, see “—*Business Operations—Portfolio Management*”.

Our legal team is involved both in investment and asset management decisions, oversees matters relating to corporate structure and corporate governance and defines the Group’s policies, procedures and actions to ensure compliance with laws and regulations. It is also involved in the negotiation of agreements (including acquisition and lease agreements) and legal due diligence, which is typically undertaken with the support of external legal counsel]. Our legal team is also responsible for the day-to-day supervision and monitoring of all legal matters related to the Group such as legal proceedings and permits and licenses, either directly or through the supervision of external counsel.

The human resources team is responsible for workforce planning, hiring (recruiting and selection), training, orientation, conflict resolution and payroll and benefits management. It seeks to develop, implement and nurture a culture built around the acquisition and development of industry leading talent.

Business Operations

We have a well-defined business strategy focused on value creation throughout the value chain. Our experienced management team is in charge of taking all necessary decisions to successfully implement our business strategy, identifying value accretive opportunities and adjusting said strategy to adapt to any on-going market trends. The main pillars of our strategy are as follows:

- (i) *Operational strategy*: Our operational strategy is focused on balancing occupancy and in-place rent to maximize our revenue while exercising tight cost control to generate the highest possible return to our shareholders. We are particularly focused on the maximization of our in-place rent, on the back of the strong repricing potential of our portfolio, and the improvement of our tenant quality by focusing on higher-income tenants. Our vacancy management efforts are mainly devoted to reducing tenant turnover rate and minimizing the time period required for re-letting and expediting the entrance of new tenants. In the short term, we are also focused on improving the occupancy rate in properties transferred to us throughout 2016 and 2017 and which were previously undermanaged. We also strive to exploit our significant economies of scale and manage and minimize operating costs while still maintaining our targeted quality standard. We seek to reduce operating expenses in a variety of ways, including entering into framework agreements with selected suppliers and using our increasing bargaining power with service providers, and we have a cost-cutting program in place.
- (ii) *Capex strategy*: Our capex strategy is focused on value creation and we develop individualized capex strategies for properties in our portfolio. These mainly include (i) re-letting capex measures, which are focused on the repositioning of vacant properties following the non-renewal of their lease agreements and before they are offered again for lease; and (ii) premium capex measures, consisting in high-quality refurbishments of properties in prime locations by means of which we aim to capture top-tier demand and premium pricing, targeting yields of at least 10% discount over GAV (excluding any reversionary potential).

- (iii) *Portfolio management:* We follow a disciplined approach to selecting acquisition targets and completing an acquisition. As part of our value strategy, we seek to acquire properties that offer the opportunity to increase in price and deliver long-term sustainable cash flows through active asset management practices. In particular, we focus on multi-family buildings that meet the following main criteria (i) high FFO1 accretion potential; (ii) located in metropolitan areas exhibiting high occupancy rates and positive household creation outlook; and (iii) preferably located in buildings where we can acquire more than 50% of the properties. As part of our strategy, we typically purchase completed and fully occupied multi-family buildings but may also acquire partially occupied buildings or less than a full building. In addition, we may enter into turnkey build-to-let agreements with developers, who would substantially assume the construction and planning risk, to access premium locations with strong demand for rental and potential for superior returns. We do not expect such projects to represent, in the aggregate, more than 10% of our GAV at any time.

Additional information on our business operations and the three key pillars of our business strategy is provided below.

Operational Strategy

We believe that our proactive asset management is a key differentiator with respect to other owners of residential rental property. We seek to increase our operating profit through innovative, proactive asset management that results in higher revenue while constraining operating expenses. Our strategies to maximize revenue include focusing on tenant satisfaction and balancing high occupancy with premium pricing and increasing rents as market conditions permit. Reducing operating expenses is another way in which we seek to increase operating profit and margins. We aim to increase our NRI margin to around 80% in the medium term (compared to 78% as of March 31, 2018 and 74% as of December 31, 2017).

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

Revenue Management

The two key pillars of revenue management are rent and vacancy management. Both in-place rent and occupancy rates are experiencing a strong momentum. As described in further detail below, we believe that there is further potential for growth in in-place rent and occupancy rates due to both intrinsic features of our portfolio and positive macroeconomic prospects in Spain, given the high long-term correlation between GDP and rental growth, with the compound annual growth rate (CAGR) of GDP for the next ten years expected to be approximately 4% (Source: Business Monitor International Research).

Rent Management

We follow a bottom-up approach to define our rent strategy on a building-by-building basis. We generally aim to adjust rents on an ongoing basis according to current market conditions, subject to any applicable legal restrictions (see “*Operating Financial Review—Factors Affecting Our Financial Condition and Results of Operations—Portfolio size, in-place rent and occupancy rates—In-place rent*”). Our deep knowledge of the dynamics of the submarkets in which we are present enables us to analyze the feasibility of increasing in-place rents. We also benefit from our strong relationship with selected and specialized real estate brokers.

As a result of our pro-active repricing strategy, based on the rate at which our in-place rents have been repriced in the second half of 2017 and the terms of such repricings, we anticipate that one third of our lease agreements will have been repriced in the course of one year with an average rental increase of over 15% above the former in-place rents. In the remaining two-thirds of our rented portfolio, we anticipate rents will have increased in line with the CPI. Further market rent increases may result in additional rent increase potential. As a result of the strong repricing momentum, like-for-like growth of in-place rent (€/sqm/month) was approximately 8.7% in the last quarter of 2017, 9.2% in the second half of 2017, 8.0% in the last three quarters of 2017 and 8.1% in 2017.

In addition, we believe that our portfolio has potential for further repricing and vacancy reduction, providing room for earnings and margin expansion with approximately 25% (excluding our property of La Ventilla-IVIMA) of the initial terms of our portfolio’s lease agreements expiring next year. Excluding properties subject to a social housing regime or old rent regime (*renta antigua*), our passing gross residential rent (this is the passing monthly rent, included in the Company’s lease agreements in force and receivable as at the end of the relevant month) over our rented residential GLA was €8.0 as of December 31, 2017. This is, 25% lower than the

market rental value (ERV) per square meter estimated by Savills in the Valuation Report (€9.9 ERV/sqm) (both Savills and us use the same criteria when calculating GLA). For additional information see, “*Operating and Financial Review—Key Performance Indicators*”. See Annex I hereto for information on the assumptions made by Savills in calculating these estimates. This suggests that there may be room for increases in rents through repricing at market levels and limited capex initiatives. In addition, we aim to increase our occupancy rate for residential properties from 89.5% as of December 31, 2017 to 95% in the next three years. The repricing and occupancy potential of our portfolio are further enhanced by the positive macroeconomic prospects in Spain, given the high correlation between GDP and rental price growth, with the compound annual growth rate (CAGR) for the next ten years expected to be approximately 4% (Source: Business Monitor International Research).

Another key component of our rent management strategy is our internal management of the major part of the rental process, which gives us control over tenant selection and management. In this regard, it is worth noting that approximately 10% of total applicants from November 2017 to February 2018 have been rejected or have chosen not to sign the contract. In general terms, the acceptance policy for any potential tenants of our properties is implemented by our asset management team on the basis of a scoring process the main components of which include the following:

- (i) *Key documentation checks*: the prospective tenant must provide us with copies of his or her National Identity Card, pay slips for the last three months, his or her most recent available income tax return and, if necessary, a copy of his or her employment contract;
- (ii) *ASNEF check*: we check whether the tenant is included in the private database of defaulters compiled by the National Association of Credit Institutions (*Asociación Nacional de Establecimientos Financieros de Crédito* (ASNEF));
- (iii) *Tenant’s solvency check*: the tenant’s annual rent divided by his or her annual net income shall not exceed 45%. If it does, we typically request the prospective tenant to provide a guarantor under the lease agreement; and
- (iv) *Guarantees*: our tenants must pay a minimum legal deposit that equals one month’s rent; however, on the basis mainly of our tenant’s profile (for example, young tenants) and solvency analysis, additional upfront guarantees (of up to four months’ rent) may be requested prior to the execution of the lease agreement in order to minimize any potential delinquency costs. We also occasionally request bank guarantees. Lease agreements in respect of which we have received only the legal deposit represented 26.67% of our total lease agreements as of December 31, 2017 (excluding La Ventilla-IVIMA surface rights).

Our strategy is focused on targeting a medium to high income tenant base. In this regard, lease agreements signed between January and March 31, 2018 showed tenants with an average age of 41 years old (with 22% of our new tenants being 50 or more years old) and showing an average affordability ratio of 31% (with 33% of our new tenants showing a monthly household net income above €3,000).

As a result of our strategy and our robust, standardized tenant screening process, our tenant bad debt (calculated as unpaid rent after six months of delinquency on rental payments, net of guarantees provided under the affected lease agreements) represented 0.6% of our GRI as of December 31, 2017.

Our rent collection is a fully automated process resulting from our requirement that tenants make lease payments through direct debit arrangements. If any payment is not made, our in-house debt collection team, which is in charge of increasing efficiency in rent collection, generally contacts the defaulting tenant to ascertain the reasons for the default. In most cases, the default is due to errors in bank wiring instructions or other managerial errors, late payments or the result of rents not being paid during the renegotiation of a lease agreement. Based in our past experience, after intervention of our in-house debt collection team, approximately 80% of the incidents in rent collection are solved. The strategy to follow thereafter will depend on the particular facts and circumstances. It may include the negotiation of an additional period for the tenant to pay the rent or, in certain cases, the engagement of external lawyers to take legal action. Our rate of incidents regarding rent collection (calculated as unpaid rent after 60 days of delinquency on rental payments), gross of guarantees represented 2.9% of our passing gross rents as of March 31, 2018. In this regard, as of December 31, 2016 we recognized a provision of €64 thousand to cover delinquent tenants of which €15 thousand were recognized as a loss in 2017 and as of December 31, 2017 we recognized a provision of €300 thousand to cover delinquent tenants of which €23 thousand were recognized as a loss in the first quarter of 2018.

Vacancy Management

Our vacancy management efforts are mainly devoted to (i) reducing the tenant turnover rate and (ii) minimizing the time period required for re-letting and expediting the entrance of new tenants. We employ various strategies to reduce tenant turnover, including continuously improving our tenant structure by choosing financially solvent tenants and focusing on tenant satisfaction. In addition, in the short term, we are particularly focused on improving the occupancy rate in properties transferred to us throughout 2016 and 2017 and that were previously undermanaged.

Our commercial team, including professionals located in our regional offices, are responsible for searching for new tenants for vacant properties and executing lease agreements with the support of our legal team and external real estate agents. We advertise key information on available properties through multiple channels, including our website, specialized websites such as www.idealista.com and www.fotocasa.es, and use local brokers to market the majority of our portfolio (said brokers' fees are typically passed on to the tenant).

As a result of our efforts, we are experiencing meaningful decreases in our vacancy rates. The like-for-like vacancy rate in our residential properties decreased during the second half of 2017, from 12.0% in June 2017 to 8.7% in March 2018, while our reported vacancy rate decreased from 12.0% to 9.0% over the same period. Almost a third of the unoccupied properties as of December 2017, were not being offered for lease mainly because they were either undergoing refurbishment works or such works were pending.

Over the six months ended March 2018, the number of new rental contracts has consistently surpassed the number of tenant departures as shown in the following table:

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Apartments	9,218	9,218	9,244	9,244	9,244	9,244
Contracts signed	401	411	381	379	308	338
Renewals	226	227	214	182	150	157
— Renewals rate ⁽²⁾	56.4%	55.2%	56.2%	48.0%	48.7%	46.4%
New contracts	175	184	167	197	158	181
— New contracts rate	43.6%	44.8%	43.8%	52.0%	51.3%	53.6%
Tenant departures	159	158	127	147	131	156
Net Take-up⁽¹⁾	16	26	40	50	27	25

(1) Defined as new contracts minus tenant departures.

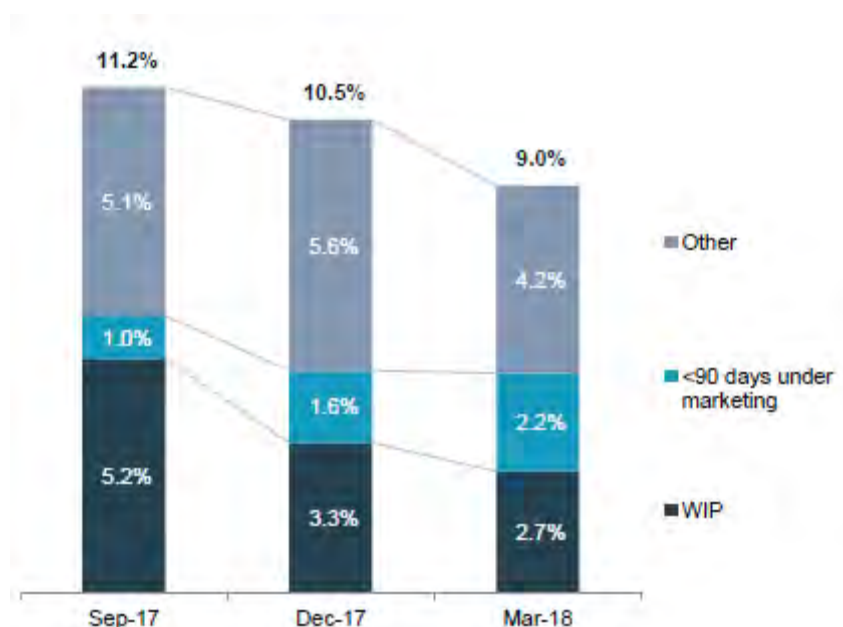
(2) Calculates as renewals over contracts signed.

(3) Calculates as new contracts over contracts signed.

In particular, we have reduced our tenant turnover rate (defined as the average annualized tenant departures for a specified period divided by total occupied apartments as of the end of said period) to slightly above 20% in the three-month period ended March 31, 2018.

We believe there is room to further reduce vacancy rates until reaching expected stabilized levels and, with respect to our residential properties, we aim to increase our occupancy rate from 89.5% as of December 31, 2017 to 95% in the next three years (with our technical vacancy representing between 2 and 3%).

The graph below shows the evolution of our vacancy rate:



WIP: Apartments which are currently being fit out, before any commercialization has started.

< 90 days under marketing: Apartments which have been on commercialization for less than 90 days.

Other: includes apartments which have been on commercialization for more than 90 days, non-core assets and apartments where tenants are still occupying the apartment while negotiating new contract terms, among other properties.

Cost Management

We regularly explore new ways of optimizing our cost structure and exploiting our significant economies of scale. We also strive to capture the operating benefits of the significant size and local density of our portfolio — which is concentrated in a limited number of metropolitan areas and, in particular, Madrid— and our centralized, scalable platform by optimizing operating efficiency, improving coordination between business units and reducing overhead expenses. For more information on our operating expenses see “*Operating and Financial Review— Factors Affecting Our Financial Condition and Results of Operations—Property Operating Expenses*”.

We have achieved significant reductions in property costs over the course of 2017, with savings estimated to total €1.9 million (approximately 2.7% of our GRI as of December 31, 2017). Our cost optimization measures have consisted mainly in the rationalization of our supplier base, which has been reduced from more than 50 to four suppliers (35.5% of the total estimated savings), the reduction of community association charges (*gastos de comunidad*) (21.1% of the total estimated savings), the reduction of property expenses (11.8% of the total estimated savings), the rationalization and reduction of our insurance provider base (11.8% of the total estimated savings), the reduction in the cost of one-off repairs (9.7% of the total estimated savings), the optimization of utilities costs (6.3% of the total estimated savings) and the optimization of costs relating to the call center which handles the questions and complaints of our tenants throughout the term of their leases (3.8% of the total estimated savings).

Recent measures adopted to reduce maintenance costs include the successful renegotiation of fees paid to contractors for elevator maintenance and installations maintenance (including servicing of pipe pressure systems, fire protection systems and legionella prevention) with respect to certain of our properties, and the entering into framework agreements with selected service providers at attractive terms, using our increasing bargaining power.

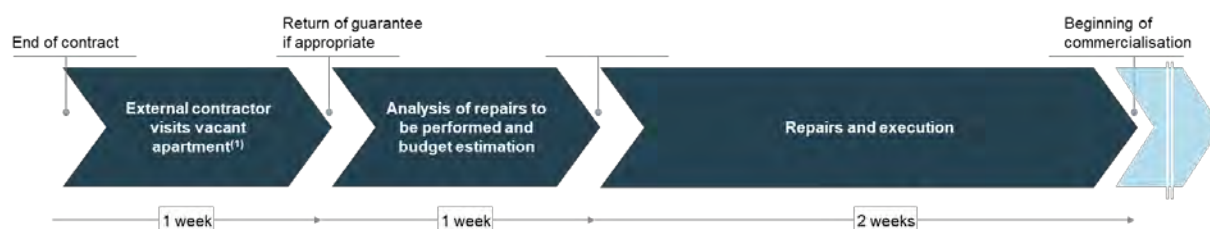
Capex Strategy

We undertake to maintain our properties in good condition in order to maximize their value and the rents that we can generate and have established a reporting system to monitor and budget the need for maintenance, repair and modernization works. These works are typically outsourced although we occasionally perform them directly through our employees, generally considering the most cost-effective approach as well as the expertise needed to perform them. As approximately 84% of our apartments are under 20 years old, the level of required maintenance expenses and capex of our portfolio are, to date, fairly limited and stable and we expect this to continue going forward.

We develop individualized capex strategies for properties in our portfolio. These mainly include:

- (i) *Re-letting capex measures*: our re-letting capex strategy is focused on the repositioning of vacant properties following the non-renewal of their lease agreements and before they are offered again for lease. Repositioning measures may, for example, include painting, cleaning and small repairs. We have a detailed repositioning schedule which is updated twice a week and which we structure with a view to optimizing capex savings where possible; and
- (ii) *Premium capex measures*: as part of our premium capex, we undertake high-quality and full refurbishments of properties located in prime areas aimed at capturing top-tier demand and premium pricing and targeting yields of at least 10% discount over GAV (excluding any reversionary potential). We also closely monitor the management of selected properties to optimize the return on invested capital.

The graphic below shows the usual timeline for the performance of re-letting capex measures with respect to an apartment that becomes vacant. Apartments typically remain vacant for around two months before they are re-let.



(1) Refers to the external contractor responsible for repositioning capex works.

Between 2016 and 2017, we were able to reduce our average re-letting capex per apartment by 33.0%, from €2,550 thousand per apartment in 2016 to €1,708 thousand per apartment in 2017. Approximately 1,113 apartments were re-let from April to December 2017. We also reduced the average time required for the re-letting of an apartment by 36.0%, from 50 calendar days in 2016 to approximately 32 calendar days in 2017 (from April to December 2017). It must be noted that the average time required for the re-letting of an apartment varies on a case by case basis; accordingly, historical data is included for illustrative purposes only. For more information on maintenance, repair and modernization of our properties and the overall improvement of the quality of our properties see “*Operating and Financial Review—Factors Affecting Our Financial Condition and Results of Operations—Investment in our portfolio*”.

Portfolio Management

Selecting the right properties for our portfolio is key to our success. We follow a disciplined approach to selecting acquisition targets and completing an acquisition. As part of our acquisition strategy, we seek to acquire between 1,000 and 2,000 apartments per year that offer the opportunity to increase in price and deliver long-term sustainable cash flows through active property management practices. In particular, we focus on multi-family buildings that:

- (i) have high capital accretion potential, based on their macro and micro location, our proactive management and the scalability of our platform. In particular, we are focused on FFO1 accretion potential in line with our financial policy;

- (ii) are located in metropolitan areas exhibiting high occupancy rates and a positive household creation outlook; and
- (iii) are, preferably, located in buildings where we can acquire more than 50% of the properties.

We typically acquire completed and fully occupied multi-family buildings but may also acquire partially occupied buildings or less than a full building. In addition, we may enter into turnkey build-to-let agreements with financially stable and solvent developers to access premium locations with strong demand for rental and potential for superior returns. Such investments typically generate attractive yields and we currently target turnkey build-to-let projects characterized by yield premiums with an approximate 10% discount over GAV. The Company would require this yield premium (compared to yields offered by comparable existing buildings) due to the fact that the acquirer bears a lease-up risk which would not exist when buying finished and rented buildings. We do not expect such projects to represent, in the aggregate, more than 10% of our GAV at any time. We may also acquire residential-linked retail assets located in buildings where we acquire residential properties.

Furthermore, we have implemented a solid asset rotation strategy whereby we aim to dispose of apartments in locations with low growth in the short-medium term and sell selectively in attractive locations once expected capital appreciation reaches peak levels in the long term.

The rental multi-family housing market is both very sizeable and fragmented and our acquisition strategy is aimed at enabling us to consolidate the market. We believe that there is a significant number of properties that fit our business strategy and whose acquisition would allow us to further consolidate the market and achieve greater economies of scale. We believe that the size of the potential addressable multi-family residential market that could fit our business strategy could exceed €13 billion in the coming years. This estimate, which does not include residential properties which could be acquired from individuals, is included for illustrative purposes only and is based on several assumptions.

The M&A area coordinates all actions related to the identification, analysis, decision making and execution of new investment opportunities. Our M&A area closely monitors potential opportunities that fit our business strategy leveraging its unique network of industry players, including financial institutions, family offices, construction companies, distressed buyers, independent owners and insolvency administrators. Moreover, this area has valuable experience in the execution of highly complex transactions due to the structure, size, type of asset and/or the nature of the seller, as shown by the significant transactions completed since late 2016 (see “—History”). We believe that we have outstanding sourcing capabilities which set us apart from other buyers in the market and provide us with superior access to certain acquisition opportunities.

Legal and finance professionals from our finance and legal teams are also involved in the evaluation and execution of new investment opportunities. Every investment decision is supported by comprehensive technical, commercial-strategic, legal and financial input and analysis.

One of the key advantages of our scalable platform is that there are marginal incremental costs associated with the acquisition and integration of new properties. According to our estimates and based on our current resources, our platform staff would be capable of managing up to 12,000 properties, and we would have to make the following additional hirings once we surpass such threshold (i) with respect to our technical team within the Asset Management area, one additional full-time employee for 3,000 additional properties; (ii) with respect to our commercial team within the Asset Management area, subject to variations based on the geographical location of new acquisitions and their respective concentration, one additional full-time employees for 700 additional properties; and (iii) with respect to our finance and legal team within the two separate Finance and Legal areas, we will require one additional full-time employees for 1,000 additional properties.

Pipeline

As of the date of this Informational Document, we have a sizeable investment pipeline exclusively based on multi-family residential properties with an estimated aggregate GAV of approximately €39 million (approximately 2,959 apartments), which we currently assume to have an estimated gross entry yield of 3.5%. However, as the pipeline may change over time, the acquisition yield may change as well depending on the location, quality, occupancy and reversionary potential of the assets to be acquired. We have also identified additional selected opportunities (that in aggregate constitute 2,250 apartments). We intend to enter into binding purchase agreements with respect to certain properties in our investment pipeline, subject to satisfactory due diligence, by the end of the third quarter of 2018. In particular, in July 2018 we have submitted a binding offer

for the acquisition of 564 units located in the southern region of Madrid for a total amount of €68 million (the “**Binding Offer**”). The execution of this acquisition, in connection with which we have been granted an exclusivity right, is subject to the completion of a satisfactory due-diligence process and fulfilment of the customary requirements in this kind of transactions.

Potential funding sources for new investments are financing from credit institutions, capital markets, internally generated cash flow arising from the rental of our properties or, to a limited extent, the sale of certain of our properties. Furthermore, as of the date of this Informational Document, we have significant cash resources of c. €58 million and undrawn committed credit facilities totaling €100 million that could be used in the financing of said acquisitions.

Except for the properties affected by the Binding Offer, we have no exclusivity rights, purchase rights or formal undertakings or agreements in connection with the acquisition of the properties forming part of our investment pipeline and, therefore, we may not be able to materialize the identified investment opportunities. See “*Risk Factors—Risks Relating to our Company —We may not be able to identify and acquire new suitable properties*”.

Employees

The following table shows the number of employees of the Group as of the dates indicated:

Number of Employees	As of March 31, 2018	As of December 31, 2017
Executive directors.....	1	1
Senior management	2	3
Other employees.....	77	71
Total	80	75

Information Technology

Effective systems and technology are essential components of our business. We run our business processes, including accounting, sales, production, human resources and finance, in an integrated environment through our customized SAP software, which we will continue to use following our migration to our own IT platform. As of the date of this Informational Document, we rely on Merlin Properties’ IT platform and expect to transition to our own IT platform by the end of 2018 (see *Related Party Transactions—Transactions with the Significant Shareholders—Transactions with Merlin Properties—Merlin Interim IT Services Agreement*). The provision of IT related services is externalized and excluding the fees payable to Merlin Properties under the Merlin Interim IT Services Agreement (see “*Related Party Transactions—Transactions with the Significant Shareholders—Transactions with Merlin Properties—Merlin Interim IT Services Agreement*”), the costs associated with our IT platform and our migration are expected to amount to approximately €184,000 in terms of software costs, €140,000 in terms of hardware costs and we expect to incur in a monthly maintenance fee of €1,000.

Legal Proceedings

As of the date of this Informational Document, we have been involved in some legal actions related to our activities. These actions include, among others, eviction proceedings and other landlord-tenant disputes, consumer protection claims, challenges to title and ownership rights, foreclosures and outside vendor disputes. As of the date of this Informational Document, and other than as set out in it, there are no, and during the twelve months preceding such date, there were no, governmental, legal or arbitration proceedings (including any such proceedings that are pending, or that, to our knowledge, have been threatened), which may have, or have had in the recent past, significant effects on our business, results of operations or financial condition.

It is our policy to evaluate the risks involved in relation to potential and actual litigation, and to reflect such risks in our financial statements through provisions that we deem appropriate based on our assessment of the risk of litigation and after applying the accounting principle of prudence. As of March 31, 2018, these provisions amount to a total of €320 thousand.

Insurance

The Group has the following insurance policies (i) property casualty insurance, which covers material damages to our properties and loss of rental income, (ii) liability insurance; and (iii) directors and officers (D&O) insurance.

The main insurance companies of the Group are the following: (i) Royal & Sun Alliance Insurance, PLC, Plus Ultra Seguros Generales y Vida, S.A., HDI Global SE (Spanish branch) and QBE Insurance (Europe), Ltd (Spanish branch) (property casualty insurance); (ii) Royal & Sun Alliance Insurance, PLC, QBE Insurance (Europe), Ltd (Spanish branch) and AIG Europe Limited (Spanish Branch) (liability insurance); and (iii) QBE Insurance (Europe), Ltd (Spanish branch), Liberty Specialty Markets and Zurich Insurance, PLC (Spanish branch) (D&O insurance).

Our insurance policies are subject to exclusions and limitations of liability. Accordingly, the Group could incur damages that are not covered by our insurance policies, or that exceed the coverage limits of our insurance policies.

Intellectual Property

We are entitled to use the trademarks “testa”; “Testa Residencial”; “Testa Servicios Inmobiliarios”; “Testa Pasion por el Alquiler”.

All of our trademarks are registered as necessary within the Spanish Patent and Trademark Office and in force. Furthermore, said trademarks belong to the trademark class number 36, which, in accordance with the international trade classification known as the “Nice Classification” (*Clasificación de Niza*), are specifically reserved for companies whose corporate purpose includes, among others, real estate business services, housing rental and property management activities.

The Group’s most significant internet domain is “testa-socimi.com”.

Apart from the intellectual property rights mentioned above, we do not hold any significant intellectual property rights and are not dependent on patents or licenses (other than certain common software-related licenses) material to the Group’s business.

We are currently not a party to any material litigation or any other dispute concerning our intellectual property described above. We are currently changing the ownership of the brands “Testa Servicios Inmobiliarios” y “Testa Pasion por el Alquiler”

Material Contracts

For a description of the material contracts entered into with related parties, including Merlin Properties, see “*Related Party Transactions*”. For a description of the Shareholders’ Agreement which regulates, amongst others, the steps to be taken relating to the admission to listing of our ordinary shares, see “*Significant Shareholders — Shareholders’ agreement*”. For a description of our financing arrangements, see “*Operating and Financial Review—Liquidity and Capital Resources*”. For a description of the of the New Portfolio Purchase Agreement, see “—*BuildingCenter Portfolio*”.

Residential Lease Agreement Template

We generally use a lease agreement template for the lease of apartments that are not subject to a social housing regime (the “**Lease Agreement Template**”). The terms and conditions included in the Lease Agreement Template may be adjusted on the basis of the location of the apartment (which affects market standards and tenant expectations), its type and the profile of the tenant.

The Lease Agreement Template includes the following provisions:

- (i) *Term.* The duration is one year and is automatically extended up to two times for a period of one year each time, unless prior written notice is served by the tenant. The term of the Lease Agreement Template complies with section 9.1 of the LAU (see “*Regulation— Urban Leases - Residential Properties*”), under which residential lease agreements have a minimum term of three years. Upon

termination, the parties may freely agree to enter into a renewed lease agreement, in such case, the rent is generally revised per prevailing market conditions.

- (ii) *Early termination.* The tenant may terminate the lease after the first six months of the lease have elapsed, provided that the required prior written notice is provided to the landlord. The tenant must pay a penalty of one month's rent for each year remaining until termination of the lease (or a proportional part thereof, if the time remaining until termination is less than one year).
- (iii) *Rent.* The rent must be paid in advance, within the first five days of the month, on a monthly basis and is updated annually in accordance with CPI. In case of late payment, the landlord is entitled to apply a default interest rate. In case of payment default, the landlord is entitled to terminate the lease agreement. Depending on the particular arrangements with each tenant and the type and location of the apartment, there may be rent abatements during the first months of the lease or the rent may be staggered (varying from year to year).
- (iv) *Legal deposit.* The tenant must pay a minimum legal deposit equal to one-month's rent (however, on the basis mainly of our tenant's profile and solvency analysis, additional upfront guarantees may be requested). After the first three years of the lease, both parties are entitled to regularize the legal deposit by, on a reciprocal basis, paying or returning the relevant amounts so that the legal deposit always corresponds to one-month's rent at the time.
- (v) *Additional guaranty.* Depending on the particular arrangements with each tenant and the type and location of the apartment, the Lease Agreement Template requires tenants to provide either a bank guaranty or an additional deposit of up to four-months' rent.
- (vi) *Expenses.* Ordinary expenses including real estate tax, waste fees, community fees and, when not included in the community fees, expenses for collective areas corresponding to the apartment such as utilities, elevators, and cleaning services, are borne by the tenant or us depending on the legal regime applicable to the apartment. In this regard, when our properties are not subject to any type of social housing regime or old rent (*renta antigua*) lease agreement we generally bear these expenses and, consequently, when our properties are subject to the aforementioned regimes we generally pass such expenses to tenants. Other taxes and expenses in connection with the lease agreement are borne by the parties according to applicable law, and notarization and record in the land registry expenses, which are borne by the party that requested recording the lease agreement with the land registry.
- (vii) *Works.* The landlord is obliged to carry out at its own cost all the necessary repairs to keep the apartment in a suitable conditions for the intended use unless the damage or deterioration is due to the tenant. Customary repairs due to tear and wear, are borne by the tenant. The tenant is not entitled to carry out any works in the apartment without the prior express consent of the landlord.
- (viii) *Insurance.* While the landlord undertakes to have an insurance policy covering the premises, the tenant is required to obtain, and maintain at all times during the term of the lease, an insurance policy from a reputed solvent insurance company to cover the contents of the apartment as well as third-party liability. The tenant must provide the landlord with proof of insurance at the time of execution of the lease and every year thereafter.
- (ix) *First refusal and pre-emption rights.* The tenant expressly waives first refusal and pre-emption rights.
- (x) *Sublease and assignment.* Assignment of the agreement and subleasing of the apartment are not allowed.
- (xi) *Option to purchase.* The tenant does not have an option to purchase the apartment.

Lease agreements entered into by the prior owners of the relevant apartments before we acquired them are not subject to the terms and conditions of the Lease Agreement Template. Some of these agreements provide the lessee with an option to purchase the relevant apartment at the end of the term of the lease for a fixed price set forth in the relevant agreement or do not contain a waiver of the lessee's right of first refusal and pre-emption right. See "*Risk Factors— Risks Relating to our Company—We may be forced to sell a portion of our portfolio on unfavorable terms*". In addition, certain of these lease agreements were entered into prior to 1995 (before the Spanish Lease Act became effective) and are therefore subject to terms that are significantly more favorable to

the tenants. See “*Risk Factors—Risks Relating to our Company—Certain of our lease agreements were entered into prior to 1995*”. At the time of termination of any such inherited lease agreements, we may propose the extension of the relevant lease under revised terms and conditions, including an express waiver by the lessee of his or her pre-emption right, right of first refusal or option to purchase the apartment, as applicable.

REGULATION

In addition to the information already provided in the Informational Document, set forth below is a summary of the current Spanish regulatory framework applicable to urban leasing of residential properties and social housing. This discussion is intended to provide a very general outline of the most relevant applicable regulations in Spain and is not intended to be a comprehensive discussion of such regulations. You should consider the discussion included below as regulation could have a material impact on our business and results of operations in the future. See “Risk Factors—Regulatory and Legal Risks—Our business is subject to various laws and regulations, which often provide discretion to administrative authorities and may be subject to change”.

Urban Leases - Residential Properties

The leasing of residential properties in Spain is governed by the Law 29/1994, of November 24, on urban leases (*Ley de Arrendamientos Urbanos*) (the “**Spanish Lease Act**”), and the Spanish Civil Code. This legal regime has been amended several times (each new amendment being introduced on a non-retroactive basis). Consequently, there may be lease agreements in our portfolio which are subject to different legal regimes (depending on the version of the Spanish Lease Act that was in force at the time such agreements were entered into). The legal framework described below is the one resulting from the most recent version of the Spanish Lease Act.

Although in recent years the legal framework for residential leases has been amended with a view to bolstering the rental housing market and easing the contractual relationship between landlords and tenants, it is still a highly regulated sector, with a considerable amount of mandatory rules applicable to the lease agreements.

Lease term

The lease term may be freely agreed by the parties. If nothing is specifically established by the parties in this respect, the lease agreement is deemed to be entered into for a term of one year.

Notwithstanding the above, and regardless of the term agreed by the parties, lease agreements are automatically renewed for periods of one year until the lease agreement reaches a minimum term of three years, unless the tenant rejects the renewal by serving a 30 days prior notice. Furthermore, the tenant is legally entitled to terminate the lease agreement at any time, provided that (i) the lease agreement has been in force for, at least, six months, and (ii) 30 days prior notice is served to the landlord. In this case, the parties may agree on an amount to be paid as compensation for the damages, although a maximum legal amount is established corresponding to one monthly rent per year until the end of the lease agreement.

Rent review

The parties may agree to revise the rent in line with an index freely agreed by them (in case the index is not expressly indicated, the Spanish Competitiveness Guarantee Index (*Índice de Garantía de Competitividad*) will apply). However, the market standard is to revise the rent in line with CPI.

Assignment and subletting

Pursuant to the Spanish Lease Act, the tenant may not assign the lease agreement or sublet the property to any third party without the landlord’s consent. Moreover, the tenant is only allowed to partially sublet the residential property and the corresponding rent shall not, in any circumstances, be higher than the rent charged for the lease itself.

Sale of leased residential properties

The tenant has a legal pre-emption right in the sale of the leased residential property, which may be exercised within 30 days as from the landlord’s notice of the terms and conditions of the projected sale. If the landlord sells the leased residential property (i) without giving the necessary pre-emption notice to the tenant (or, when the notice is given without meeting the legal requirements), or (ii) for a price lower than the one disclosed in the landlord’s notice (or, in general, in conditions more favorable to the purchaser than as disclosed to the tenant), then the latter has a right of redemption (*derecho de retracto*) (i.e., the right to purchase the leased residential property from the purchaser on exactly the same terms and conditions). This right may be exercised within the

30 days following the notice from the residential property's purchaser informing of the terms and conditions of the transfer.

Notwithstanding the above, the tenant may validly waive such legal rights, either at the time of the signing of the lease contract or at any time thereafter.

Maintenance and repair

Under the Spanish Lease Act, the landlord must carry out any repairs necessary to maintain the residential property in habitable conditions (without any right to increase the rent, unless the damages which caused the need for such repair were attributable to the tenant).

On the other hand, the tenant shall not, without the landlord's prior written consent, carry out any construction works in the leased residential property which may affect its structure.

Registration

Although it is not mandatory, the parties to a lease agreement may register it in the Spanish Land Registry. Registration reinforces the protection of the lease *vis-à-vis* third parties. However, registration of lease agreements in the Spanish Land Registry is not usual.

Social housing

Social housing in Spain is regulated by different legal statutes, depending on the year in which a specific real estate property was qualified as social housing. Social housing legal regulations tend to vary from autonomous region (*comunidad autónoma*) to autonomous region. However, most of the requirements for the sale of properties qualifying as social housing are common to all regional legal systems:

- (i) **Pre-emption and redemption rights (*derechos de tanteo y retracto*).** The sale of social housing is usually subject to pre-emption and redemption rights (*derechos de tanteo y retracto*) for the benefit of the Regional Government of the region where the social housing is located.
- (ii) **Authorization by Regional Governments.** The sale of a social housing may also be subject to authorization by the Regional Government of the region where the social housing is located. Authorization may be subject to the prospective purchaser's eligibility, professional experience and skill to continue to honor all legal obligations applicable to such social housing.
- (iii) **Authorization and/or pre-emption and redemption rights resulting from the public origin of the land.** When a social housing scheme is developed on public land sold to the relevant developer for the purpose of sponsoring social housing, the applicable legal framework will typically make the transfer of any resulting social housing property subject to administrative authorization by, or to pre-emption and redemption rights (*derechos de tanteo y retracto administrativos*) for the benefit of, the public administration or related bodies sponsoring the scheme.
- (iv) **Sale of social housing properties in breach of applicable legal requirements.** The sale of social housing properties in breach of applicable legal requirements may be null and void and/or non-eligible for registration at the relevant Property Registry. Economic sanctions may additionally be imposed on the seller and, ultimately, the social housing qualification might be forfeited or disallowed (with the owner potentially facing the obligation to turn over to the public administration all rents, rights and, generally, any economic consideration which it may have received under the social housing legislation).

Social housing can be classified as: (i) “**Social housing for sale**” in respect of those social housing schemes intended to be sold (rather than leased) to the relevant individuals; or (ii) “**Social housing for lease**” in relation to social housing schemes intended to be leased (rather than sold) to the relevant individuals. Among other requirements, regulation applicable to social housing for lease limits the maximum amount of rent the landlord may invoice for said social housing properties to the relevant tenant. In addition, and without prejudice to the exceptions provided for in the Spanish Lease Act, and/or the existence of conflicting legislation (if any) approved by the relevant autonomous regions (*comunidades autónomas*), the general rules applicable to social housing for lease would be the following:

- (i) the landlord may charge the tenant with the real costs of any services enjoyed by the tenant and paid by the landlord; and
- (ii) no specific provisions apply with regard to (a) rent review, and (b) eviction of the tenants from the properties in case of tenants' default.

Similarly, regulation applicable to social housing for sale limits the maximum price the seller may ask for said property from the buyer.

Moreover, both in the case of social housing for sale and social housing for lease, potential buyers or tenants of these properties (as the case may be) are required to meet certain conditions in order for them to be eligible candidates. These requirements include, but are not limited to, income level limits, requirements on family status, mandatory use of the property as main and permanent dwelling, etc.

Specific requirements for the transfer of social housing for sale

In respect of social housing for sale, applicable legislation (national or regional) commonly establishes a prohibition of disposals within the period of 10 years following the social housing final qualification.

Where the relevant 10 year period has not yet lapsed, the transfer of the relevant property would only be possible with the prior authorization of the relevant public administration.

The transfer of a property qualified as social housing for sale may nevertheless not exceed the maximum legally determined selling price. Such limitation will apply as long as the property has the qualification of social housing.

Specific requirements for the transfer of social housing for lease

The transfer of social housing for lease is generally subject to the need to obtain prior authorization by the relevant Regional Government. In general terms, the purpose of this authorization is to ensure that the corporate purpose of the purchaser is the lease of the property, as well as to verify the prospective purchaser's eligibility, professional experience and skill to continue to honor all legal obligations applicable to such properties. Typically, the sale of a property qualified as social housing for lease will not be subject to a maximum sale price (which is legally determined).

Income tax allowance for tenants

Some Spanish autonomous regions, such as Madrid, have established income tax allowances for tenants aged under 35 whose taxable base for purposes of the Personal Income Tax does not exceed specific amounts. In particular, tenants who are tax resident in Madrid may be able to deduct from their Personal Income Tax corresponding to tax year 2017 20% of the rent paid in 2017 up to €840. The requirements to apply the allowance and the limits on the amount which may be deducted from the Personal Income Tax depend on the autonomous region where the tenant has his or her tax domicile.

Taxes or surcharges on empty dwellings

Some Spanish autonomous regions and municipalities have passed regulations which contain specific measures to avoid the existence of empty dwellings, mainly, by creating new taxes for empty housing or increasing real estate tax applicable to empty dwellings. This is the case of Barcelona or San Sebastián which are two of the areas where the Company operates.

Catalonia

In July 2015, the Catalan Parliament approved Law 14/2015 of July 21 on taxes on empty dwellings and amendment of tax regulations and Law 3/2012 ("**Law 14/2015**") to apply a new tax on residential properties located in Catalonia which were owned by legal entities and which have been unoccupied for over two years for no valid reason. Under Law 14/2015, the taxable base applicable to owners, which accrues on December 31 of each calendar year, is based on the number of square metres of dwellings which fall within the scope of Law 14/2015 and are owned by the same owner. According to Law 14/2015, among others, housing restorations, illegal occupations by third parties, or ongoing judicial proceedings regarding the ownership of the property are

valid reasons for a dwelling to remain unoccupied. Additionally, under such law, the two-year period is interrupted when the dwelling is occupied for a minimum period of six consecutive months. Likewise, Law 14/2015 expressly excludes from its scope of application dwellings which are (i) located in areas where demand for housing is low; (ii) included in social housing programs; (iii) subsidized housing which official qualification is in force and in which the fact that they are not occupied already entails the application of fines under other applicable regulations; and/or (iv) used for other economic activities (i.e. they are not used as a dwelling). The tax quota is determined by applying to the taxable base a progressive tax rate which ranges from €10 to €30 per square metre of the surface area of the dwelling, which must have been unoccupied for more than two years. The Catalan tax on empty dwellings is self-assessed by the taxpayer and paid within the first twenty calendar days of March of the year following the one in which it accrues.

The effectiveness of the provision which determines the taxable base has been challenged by the Spanish Government before the Spanish Constitutional Court on the basis that it is contrary to the Spanish Constitution. The Spanish Constitutional Court has granted leave to proceed with the appeal lodged by the Spanish Government.

San Sebastián

In 2013, the municipality of San Sebastián introduced a new surcharge on the municipal real estate tax for dwellings which are not the owner's permanent home and which are not otherwise leased or used by third parties. The surcharge applied to the real estate tax due is 25% of the real estate tax quota in 2018.

Other regions and municipalities (such as Andalusia or Pamplona) in which we operate have also introduced taxes-surcharges on real estate tax for empty dwellings.

Community of Owners

When we are not the owner of all the properties of a building structured as a condominium (*propiedad horizontal*), decisions affecting communal spaces will need to be adopted according to the rules provided in Law 49/1960, of 21 July or, if amended, in the community of owners' by-laws (which can rise majority thresholds set forth in the Law). Accordingly, if we intend that a decision affecting the condominium becomes binding on all co-owners, it will need to ensure, as a general rule, that a co-owners' meeting is summoned (the "**Community of Owners**") and that the voting procedure set forth in the Law (and, as the case may be, the relevant by-laws) is followed.

Holding of the Community of Owners

The Community of Owners must meet at least once a year in order to approve the annual budget and the accounts. It can also meet when called by the President or by a fourth of the owners of the community or by those number of owners which in turn represent 25% of the co-ownership quotas (i.e., interest in the community). Co-ownership quotas are generally based on the private and communal elements of the building which are assigned to each property (the larger the property, the greater the co-ownership quota will generally be). When called, any owner may request that a specific topic is included in the agenda for the meeting, through communication to the President.

The Community of Owners can be validly convened on first call if those present represent the majority of the owners that in turn represent the majority of the co-ownership quotas. On second call, the Community of Owners can be validly convened whatever the attendance is. A meeting can be convened without a call if all of the owners attend. The owners that are in arrears in the payment of community association charges (and have failed to file a claim or otherwise duly deposited the amounts due) are deprived of their voting rights, but can attend the Community of Owners and take part in any debate.

Adoption of Resolutions

General rule: The approval of resolutions within a community of owners requires a double majority. At first call, (i) majority of all of the owners (regardless of their co-ownership quota), and (ii) majority of all of the co-ownership quotas. At second call, (i) majority of the attendees, and (ii) majority of co-ownership quotas of the attendees.

Exceptions. Qualified majorities also refer to double majorities (in number of owners and in co-ownership

quotas):

- (i) No approval is required for mandatory actions required by the Law: for example, **(a)** works necessary for the proper maintenance of the building and its common areas including, in all cases, those necessary to satisfy the basic requirements of safety, habitability and universal accessibility (i.e., access by disabled and handicapped persons) and any others required by the public authorities in respect of the adequate maintenance of the buildings; **(b)** works necessary to ensure proper access to the building and those required by owners in whose dwellings or premises people affected with disabilities or over the age of 70 live, work or grant voluntary services, as well as the installation of ramps, lifts or other mechanical or electronic devices that enhance mobility, provided that the amount incurred annually in connection with them, once subsidies or public subsidies are deducted, does not exceed 12 ordinary monthly installments of community association charges. Otherwise, the cost will be assumed by the interested party; **(c)** the division or segregation of dwellings or premises and their annexes (to create new properties or modify their size) or **(d)** the alteration of the structure of a building complex, both in (c) and (d) as a result of the inclusion of the building in an area classified as refurbishment, or regeneration and urban renovation (*ámbito de actuación de rehabilitación o de regeneración y renovación urbana*) and for the installation of electric car charging points for private use (prior notice to be served to the community of owners and the cost to be borne by the interested owner).
- (ii) Unanimity: necessary, with some exceptions, for amendments of the title of incorporation of the community of owners (which must include, among others, the common elements of the community, the participation quotas attributed to each property and the description of the property) or its by-laws
- (iii) Majority of three fifths (3/5): necessary for **(a)** matters related to common services or facilities of general interest (such as concierge or security services) even when the relevant resolution may involve the amendment of the title of incorporation of the community of owners or its bylaws; **(b)** the lease of common areas; **(c)** installation or removal of the common infrastructure or supply systems to improve the energetic or hydric efficiency of the property other than as referred to in (v) below. Should this infrastructure or these systems be for the private exploitation or use of certain properties, the resolution shall be approved by the majority of one third (1/3) and the provisions of (v) below shall apply; **(d)** installations, innovations and improvements not required for the conservation, habitability, security and accessibility of the building. Should expenses incurred as a result of the referred installations or improvements exceed three monthly community association charges, dissenting co-owners will not be required to contribute to the expenses of such facilities; **(e)** the division or segregation of dwellings or premises and their annexes (to create new properties or modify their size); and **(f)** the alteration of the structure of a building complex; provided that both in (e) and (f) the consent of all of the affected owners must be obtained.
- (iv) More than 50%: necessary for matters related to accessibility measures and the installation of a lift, even when the relevant resolution may involve the amendment of the title of incorporation of the community of owners or its bylaws.
- (v) Majority of one third (1/3): necessary for the installation of the common infrastructure providing access to telecommunication services, as well as the installation of solar energy supply systems. Co-owners who have failed to vote in favour of the relevant resolution will not contribute to the expenses of such facilities.

Absent co-owners shall be deemed to have voted in favor of the resolution passed provided that they were duly called to the Community of Owners and have failed to serve notice to the secretary of the Community of Owners of their contrary vote within the 30 days following the service of the notice of the resolution passed at the Community of Owners (please note that for resolutions listed in (iii) above, the double majority of 3/5 of the attendees and 3/5 of the quotas of attendees would be necessary for the valid passing of the resolution at the Community of Owners). However, such rule providing for tacit approval by the absent (and silent) owners does not apply (i) with respect to resolutions where the expenses incurred cannot be charged on co-owners who have failed to vote in favor of the relevant resolution; or (ii) when the modification or reform agreed under the relevant resolution is for the private exploitation or use of certain properties.

REASONS TO REQUEST ADMISSION TO LISTING ON THE MAB-SOCIMI

We have requested admission to list our Shares on the MAB-SOCIMI for the following reasons:

- (i) To comply with the trading requirement set out in the SOCIMI Regime pursuant to which SOCIMIs' shares must be listed on a regulated market or multilateral trading facility in Spain, in other European Union ("EU") or European Economic Area ("EEA") member state or on a regulated market of any other country which has signed a tax information exchange agreement with Spain which has been in force for the entire tax period. See "*Spanish SOCIMI Regime and Taxation Information— Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Trading requirement*".
- (ii) To facilitate a potential offering and admission to listing of our Shares the Spanish Stock Exchanges.
- (iii) To make our Shares more attractive to potential investors and, consequently, to widen our shareholder base, introducing institutional long-term investors and a diversified base of international shareholders, thus improving our access to public capital markets (including for debt instruments), which could make it easier for us to obtain financing to be used for our future growth.
- (iv) To provide us with better brand recognition and visibility in the market, increasing our overall corporate profile, and enhancing our transparency and prestige as a result of us becoming a listed company.
- (v) To enable us to attract funds in the capital markets with a view to facilitating the financing of new investment projects and continuing with the growth strategy to take advantage of the opportunities identified for the purpose of becoming listed on the Spanish Stock Exchanges and provide our Shares with greater liquidity.
- (vi) To provide a new mechanism with which to objectively appraise our Shares.
- (vii) To increase awareness, differentiate and position the image and disclosure of the Company vis-à-vis third parties (shareholders, potential investors, clients, suppliers, credit entities, controllers, etc).

DIVIDENDS AND DIVIDEND POLICY

Dividends and Dividend Policy

Holders of ordinary shares will be entitled to receive future dividends which are declared on the basis set out in our by-laws.

We have not distributed any dividends to our shareholders for the last two years and until the date of this Informational Document.

We intend to maintain a dividend policy which has due regard to sustainable levels of dividend distribution and which reflects our view on the outlook for sustainable recurring earnings. We do not aim to create reserves that are not available for distribution to shareholders other than those required by law. We intend to pay dividends when the Board of Directors considers it appropriate, and expect the first payment of dividends to occur in the first half of 2019. In any case, the dividends finally distributed will have to comply with the rules set out in the SOCIMI Regime (see “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Mandatory dividend distribution*” for a description of the dividends distribution requirements under the SOCIMI Regime). Additionally, we target a dividend policy of around 80% of our FFO1 of a given year to be paid in the following year subject to compliance with the Spanish SOCIMI Regime requirements described below.

The fact that, pursuant to Spanish accounting regulation, dividends are based on the income statement of our individual financial statements which are prepared in accordance with the Spanish GAAP and do not recognize as gains or losses on our income statement any changes in the fair value of our portfolio does not affect our capacity to comply with the Spanish SOCIMI Regime dividend distribution requirement or to meet our dividend policy target.

We are a Spanish SOCIMI and aim to maintain such status. Consequently, our targeted dividend policy will need to comply with the Spanish SOCIMI Regime dividend distribution requirement. In this regard, under the Spanish SOCIMI Regime, we will be required to adopt resolutions for the annual distribution of dividends, in compliance with the conditions set out in both the SOCIMI Regime and the Spanish corporate legislation, to shareholders within the six months following the closing of the fiscal year. For more detail, see “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Mandatory dividend distribution*”.

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 Regime and our by-laws, the payment date of the dividends will take place in the month after the dividend distribution is approved by our Shareholders’ Meeting or Board of Directors.

The record date criterion referred to above is intended to allow us to timely identify Substantial Shareholders (as defined in “*Spanish SOCIMI Regime and Taxation Information*”) before making a dividend distribution to them. According to our by-laws, any shareholder must give notice to our Board of Directors of any acquisition of ordinary shares which results in such shareholder holding 5% or more of our 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 10%, we are required, under the SOCIMI Regime, to pay a 19% Spanish Corporate Income Tax (“**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 (as defined in “*Spanish SOCIMI Regime and Taxation Information*”). The payment of such special levy will be deemed as an expense for us, to be reduced from the profits to be distributed to shareholders. Additionally, our by-laws contain indemnity obligations from Substantial Shareholders in favor of us designed to discourage the possibility that dividends may become payable to Substantial Shareholders who do not meet the 10% Test. Our Board of Directors are entitled to deduct an amount equivalent to the tax expenses we incur on such dividend payment from the amount to be paid to said Substantial Shareholder. See articles 8 and 25 of our by-laws, the SOCIMI Regime and certain applicable regulation for additional information.

In any event, our ability to pay dividends in the future will also depend on the performance and prospects of our business, own capital structure and financing needs, general and capital market conditions, and other factors that our Board of Directors and shareholders may deem relevant at the time, as well as the applicable legal restrictions. As of the date of this Informational Document, no financing arrangement limits our ability to pay dividends.

Our expectations in relation to dividends, distributable reserves, business performance and market conditions are subject to numerous assumptions, risks and uncertainties, which may be beyond our control. For a discussion of risks faced by our business, see “*Risk Factors*”.

Spanish SOCIMI regime and taxation on dividends under Spanish law

We have elected to be a Spanish SOCIMI and have notified such election to the Spanish tax authorities by means of the required filing. As a Spanish SOCIMI, we will have a tax efficient corporate structure with the consequences for shareholders described in “*Spanish SOCIMI regime and taxation information*”. Provided certain conditions and tests are satisfied, as a Spanish SOCIMI, we will not pay Spanish corporate taxes on the profits deriving from our activities. These conditions and tests are discussed in “*Spanish SOCIMI regime and taxation information*”.

Under current tax legislation, any distributions made in the future will be subject to tax under Spanish law. See “*Spanish SOCIMI regime and taxation information*” for a discussion of certain aspects of taxation of dividends.

SELECTED FINANCIAL AND OPERATING INFORMATION

The following tables present selected consolidated financial information and operating data of the Company as of and for the three-month periods ended March 31, 2018 and as of and for the year ended December 31, 2017, included as an annex to this Informational Document, which were prepared in accordance with IFRS-EU.

The selected financial operating information set out below is a summary only. It may not contain all the information that is important to prospective investors and, accordingly, should be read in conjunction with “Presentation of Financial and Other Information”, “Capitalization and Indebtedness”, “Operating and Financial Review”, “Risk Factors”, the Unaudited Interim Condensed Consolidated Financial Statements and the 2017 Consolidated Financial Statements included as an annex to this Informational Document.

Consolidated Balance Sheets as at March 31, 2018 and December 31, 2017

	At March 31, 2018	At December 31, 2017
	(in thousands of euros)	
Assets:		
Non-current assets:		
Concession projects	155,588	156,343
Other intangible assets	225	99
Property, plant and equipment	254	70
Investment property	2,107,230	2,106,079
Non-current financial assets	9,694	9,812
Collection rights, Service concession arrangements	4,224	4,738
Other financial assets	5,470	5,074
Deferred tax assets	11,084	11,083
Total non-current assets	2,284,075	2,283,486
Current assets:		
Trade and other receivables	2,690	1,432
Other current financial assets	-	3
Prepayments and accrued income	311	-
Cash and cash equivalents	57,990	71,158
Total current assets	60,991	72,593
Total assets	2,345,066	2,356,079
Equity and liabilities		
Equity:		
Share capital	132,270	125,863
Issue premium	1,416,193	1,332,879
Reserves	(133,239)	(133,046)
Retained earnings	70,146	-
Prior-year's losses	(1,754)	(1,754)
Profit/(loss) for the period attributable to the parent	(104,261)	70,146
Valuation adjustments	(306)	(336)
Equity attributable to the parent	1,379,049	1,393,752
Non-controlling interests	774	772
Total equity	1,379,823	1,394,524
Provisions	320	320
Non-current liabilities:	841,655	841,232
Non-current bank borrowings	470,067	470,545
Derivatives	102	120
Other non-current liabilities	371,486	370,567
Deferred tax liabilities	105,953	105,953
Total non-current liabilities	947,928	947,505
Current liabilities		
Provisions	-	1,019
Current financial liabilities:	2,613	2,539
Current bank borrowings	2,613	2,539
Current payables to related parties	5,400	5,400
Trade and other payables	6,780	5,092
Payable to suppliers	651	3,168
Current tax liabilities	648	523
Other payables to public authorities	584	243
Other payables	4,897	1,158
Total current liabilities	17,315	14,050
Total equity and liabilities	2,345,066	2,356,079

Consolidated Income Statements for the three months ended March 31, 2018 and for the year ended December 31, 2017

	For the three months ended March 31, 2018	For the year ended December 31, 2017
	<i>(unaudited)</i>	
	(in thousands of euros)	
Revenue.....	17,902	52,943
Other operating income.....	14	141
Personnel expenses.....	(1,341)	(3,214)
Other operating expenses	(117,071)	(25,023)
Depreciation charge.....	(807)	(3,145)
Provision surplus.....	3	
Gains/(losses) from asset disposals	-	286
Changes in fair value of investment property.....	-	65,209
Operating profit/(loss).....	(101,300)	87,197
Finance income	-	165
Financial expenses	(2,708)	(11,338)
Changes in fair value of financial instruments	(756)	(5,542)
Profit/(loss) before tax.....	(104,134)	70,482
Corporate income tax	(125)	(296)
Profit/(loss) for the period from continuing operations	(104,259)	70,186
Attributable to shareholders of the parent	(104,261)	70,146
Attributable to non-controlling interests.....	2	40

Consolidated Statements of Cash Flows for the three months ended March 31, 2018 and for the year ended December 31, 2017

	For the three months ended March 31, 2018	For the year ended December 31, 2017
	<i>(unaudited)</i>	
	(in thousands of euros)	
Cash flows from operating activities.....	(11,858)	56,070
Profit/(loss) for the period before tax	(104,134)	70,482
Adjustments to profit/(loss)	117,638	(46,315)
Depreciation of fixed assets	807	3,145
Change in fair value of investment property	-	(65,209)
Impairment	11	-
Changes in provisions for liabilities and charges	-	1,019
Gains/(losses) on derecognition and disposal of non-current assets.....	-	(286)
Financial revenue.....	(232)	(165)
Financial expenses.....	2,310	11,638
Change in fair value of financial instruments	756	5,542
Impairment of goodwill	-	-
Other income and expenses.....	113,986	(1,999)
Changes in working capital	(5,727)	3,930
Trade and other receivables.....	(1,269)	(918)
Trade and other payables.....	(2,937)	(3,069)
Other assets and liabilities.....	(1,521)	7,917
Other cash flows from/(used in) operating activities	(19,635)	27,973
Interest paid	(2,344)	(11,784)
Interest received	232	165
Income tax payments	-	(114)
Other receipts/(payments)	(17,523)	39,706
Cash flows from investing activities	(1,000)	(49,121)
Payments for investments	(1,909)	(53,492)
Investment properties	(1,151)	(53,960)
Property, plant and equipment.....	(184)	(99)
Intangible assets.....	(178)	(148)
Financial assets.....	(396)	715
Proceeds from sale of investments	909	4,371
Investment properties	-	4,371
Financial assets.....	909	-
Cash flows from financing activities	(310)	35,408
Proceeds from and payments for equity instruments.....	-	(2,115)
Payment of capital increases.....	-	(2,115)
Proceeds from and payments for financial liability instruments.....	(310)	37,493
Proceeds from issue of bank borrowings	-	377,000
Refund on bank borrowings	(310)	(339,102)
Repayment of other debts	-	(405)
Capital increases.....	-	30
Net increase/(decrease) in cash and cash equivalents	(13,168)	42,357
Cash and cash equivalents at start of period.....	71,158	28,801
Cash and cash equivalents at end of period.....	57,990	71,158

OPERATING AND FINANCIAL REVIEW

The following discussion should be read in conjunction with our Consolidated Financial Statements included as an annex to the Informational Document and available on our website (www.testa-socimi.com), as well as the “Presentation of Financial and Other Information”, and “Business” sections included elsewhere in the Informational Document. Prospective investors should read the entire Informational Document and the information included as an annex to the this Informational Document and not just rely on the summary information set out below.

The following discussion contains forward-looking statements that involve risks and uncertainties, including statements regarding our target NRI margin, occupancy rate and annual acquisitions and our financial policies (including our LTV target). Our actual results could differ materially from those that we discuss in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in the Informational Document, particularly under “Important Information—Forward-looking Statements” and “Risk Factors”. Except as may be required by applicable law, we will not publicly update any forward-looking statements for any reason, even if any new information becomes available or other events occur in the future.

Except as otherwise indicated or unless context otherwise requires, references to (i) GAV (i.e., estimated gross asset value) are based on the market values reported in the Valuation Report, which is included herein as Annex I, and which contains valuations as of December 31, 2017 ; and (ii) references to GRI refer to our passing monthly gross rents, per the Group’s lease agreements as of December 31, 2017, multiplied by 12. In addition, unless the context requires otherwise number of units and other references to our portfolio are as of March 31, 2018 and together with GAV and GRI are provided on a 100%-ownership basis with respect to Coto (as defined herein), in which we own a 99.65% interest. Coto owns properties with an aggregate GAV of €409 million (€399 million corresponding to its six housing developments). On April 26, 2018, our Board of Directors together with the Sole Director of Coto prepared and signed a joint merger plan for the absorption of Coto (proyecto común de fusión por absorción) in compliance with the provisions of article 30 of the Spanish Act 3/2009 on Structural Amendments of Private Companies (Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles). The entailed merger was approved by our Board of Directors on May 22, 2018 and is due to take place after the Listing pursuant to which Coto will be integrated into Testa by way of a block transfer of its assets and liabilities (for more information see “Business—History”). Furthermore, references to our apartments include (i) properties in respect of which we have surface rights for a defined period of time (see “—Our Portfolio—Portfolio in Detail—Key Legal Features of Portfolio—Ownership Regime”); (ii) 58 townhouses located in Aranjuez (Madrid); (iii) except as otherwise indicated, parking spaces and storage units rented together with our apartments (that form part of said apartments and are not counted as separate apartments) and (iv) includes the surface rights over our “Campo de Tiro” property composed of 80 apartments with an aggregate GAV of €0.2 million and an aggregate GRI of €0.6 million (see “Business—Portfolio Segmentation—Key Legal Features of Portfolio—Ownership Regime”) that expired on May 22, 2018. However, such references do not include the BuildingCenter Portfolio (as defined herein) of which as of the date of this Informational Document, and after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments (of the total 1,458 apartments that comprise the BuildingCenter Portfolio) for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement (see “Business—BuildingCenter Portfolio”), nor the Additional BuildingCenter Parking Spaces (see “Business—Additional BuildingCenter Parking Spaces”).

Overview

We are the largest multi-family housing SOCIMI in Spain and we are primarily focused on the acquisition and management of residential properties in high-growth metropolitan areas. Our business is managed by a highly experienced senior management team with over 16 years of experience on average in the real estate sector. Our aim is to strengthen our leadership in the highly fragmented Spanish residential rental market by taking advantage of the market opportunity currently available in Spain due to its favorable structural and macroeconomic trends.

Through our history, we have built a customized portfolio by selectively acquiring attractive properties from some of the largest portfolios in Spain, especially since 2016. The selection of properties has been consistently guided by clear deployment criteria, in accordance with our strategy of focusing on residential properties with high capital accretion potential in wealthy metropolitan areas (see “—Our Portfolio—Portfolio at a Glance” and

“—Business Operations—Portfolio Management”). Our portfolio is comprised of 9,244 apartments, which represented approximately 95% of our GAV, with a total GAV of approximately €2.3 billion, an GRI of approximately €72.3 million and an aggregate GLA of approximately 882 thousand square meters.

Our properties are primarily located in the autonomous region (*comunidad autónoma*) of Madrid (with approximately 65% of our portfolio in terms of GAV located there) and, to a lesser extent, in San Sebastián (7% of GAV), Barcelona (5% of GAV), Las Palmas de Gran Canaria (3% of GAV), Palma de Mallorca (3% of GAV), Valencia (3% of GAV) and La Coruña (2% of GAV) among other regions of Spain (see “—Our portfolio—Our portfolio at a glance”). The expected 2016-2031 average household growth of regions where we are present, weighted by the distribution of our GAV, was between 124% and 159% of the Spanish expected average household growth (source: Bank of Spain, INE, 124% assuming Bank of Spain’s 2014-2029 maximum scenario and 159% assuming INE’s 2016-2031 base scenario). We believe that the attractiveness of our portfolio is also underpinned by its relatively recent construction (with approximately 84% of our apartments being less than 20 years old), the high proportion of freehold properties (representing approximately 93% in terms of GAV) and free-rent properties (representing approximately 83% of our GRI) and the fact that approximately 84% of our apartments are located in buildings that are either entirely owned by us or in which we own the majority of the properties.

In addition, in March 2018 we entered into the New Portfolio Purchase Agreement, under which we have agreed to acquire 1,458 apartments subject to the fulfilment of certain conditions precedent. As of the date of this Informational Document, after fulfilment of the applicable conditions precedent, we have acquired 1,450 apartments of the BuildingCenter Portfolio pursuant to the New Portfolio Purchase Agreement. See “—BuildingCenter Portfolio”.

Because all of our properties are located in Spain, they benefit from the positive growth momentum of the Spanish economy and, in particular, of the Spanish real estate market. Spanish GDP grew by 3.3% and 3.1% in 2016 and 2017, respectively, and it is expected to grow by 2.7% in 2018, outperforming the increases of the Eurozone (source: Eurostat). The Spanish real estate market in general and the Spanish residential rental market in particular have also shown highly visible signs of recovery in recent years. Besides the stimulus provided by economic growth, the residential real estate market has also benefited from favorable demographic trends, with Spanish average household size converging toward European averages (from 2.7 members per household in 2006 to 2.5 in 2016) and household growth expected to exceed population growth (sources: Eurostat, INE). Still, the Spanish residential rental market continues to be highly fragmented, with a substantial part of the market supply being owned by private individuals, non-professionally operated and not benefiting from economies of scale. We believe that the size of our portfolio, the quality and distribution of our properties, our standardized and scalable business model and our experienced management team, with core expertise in residential renting, uniquely position us to lead the Spanish residential rental market as well as its developing institutionalization.

As of March 31, 2018 we had 80 employees, divided among our central offices in Madrid and our regional offices, which controls the entire value chain. We believe that our well-structured and professional model can allow us to achieve operational efficiencies and obtain higher returns in the future.

Factors Affecting the Comparability of Our Financial Condition and Results of Operations

As a result of the following factors, our financial condition and results of operations as of and for certain of the financial periods discussed in this Informational Document may not be directly comparable with our financial condition and results of operations as of and for other financial periods discussed herein or future financial periods.

Changes in the size and composition of the properties in our portfolio

We have a limited operating history with our current assets and liabilities. In particular, the composition and size of our portfolio has significantly changed since 2016 as a result of the following transactions and changes in our investment property:

- (i) in October 2016, the residential business unit of Metrovacesa (comprising 3,157 apartments with an approximate aggregate GAV of €692 million) was contributed to our Company in exchange for 3,075,278,154 new shares of our Company. Immediately prior to such contribution, our GAV was €340 million. Metrovacesa’s residential business unit also included cash, certain staff, shares and units of subsidiaries, contracts and approximately €250 million of financial debt;

- (ii) in March 2017, Banco Santander and BBVA, amongst others, contributed 3,317 apartments with an approximate aggregate GAV of €660 million to our Company in exchange for 5,221,817,098 new shares of our Company;
- (iii) in late September 2017, the home rental business of Acciona (comprising 1,058 apartments with an approximate aggregate GAV of €417 million) was contributed to our Company in exchange for 2,645,404,051 new shares of our Company. Acciona's home rental business also included €78 million of financial debt;
- (iv) in September 2017, investment property totaling €5,367 thousand were contributed to us, as a result of the non-monetary capital increase subscribed with Real Estate Deal II, S.A., en liquidación ("**RED II**"), which related to homes located in calle Calcio, Madrid;
- (v) in September 2017, we acquired investment property from a third party totaling €45,217 thousand, which relate to homes located in Madrid;
- (vi) in December 2017, we acquired investment property from a third party totaling €4,228 thousand, which relate to homes located in Vallecas, Madrid;
- (vii) in March 2018, we entered into the New Portfolio Purchase Agreement to acquire a portfolio of 1,458 apartments from BuildingCenter, S.A.U., the real estate subsidiary of CaixaBank, S.A., for an aggregate purchase price of approximately €227 million. The acquisition shall be executed by building or complex through different closings that are expected to take place over the next few months once certain conditions precedent are fulfilled. In particular, as of the date of this Informational Document, and after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments of the BuildingCenter Portfolio for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement (see "*Business—BuildingCenter Portfolio*"); and
- (viii) in June 2018, we purchased from BuildingCenter, S.A.U., the real estate subsidiary of CaixaBank, S.A., the Additional BuildingCenter Parking Spaces for an aggregate purchase price of €24,356.58 (see "*Business—Additional BuildingCenter Parking Spaces*").

Several of these transactions resulted in the issuance of ordinary shares as consideration for the acquired properties. See "Description of Share Capital—General" for information on how these transactions affected our share capital.

As a result of these transactions, we have limited representative consolidated historical financial information.

The only consolidated financial statements included as an annex to this Informational Document are the Consolidated Financial Statements, which consist of (i) our unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2018 (including comparative unaudited financial information for the three months ended March 31, 2017) which have been subject to a limited review by Deloitte, S.L., and (ii) our audited consolidated financial statements as of and for the year ended December 31, 2017 (including comparative unaudited financial information as of and for the three months ended December 31, 2016 (since our merger with the residential business spun-off of Metrovacesa in October 2016)). For additional information see "*Presentation of Financial and Other Information*". Such information is not comparable from period to period due to the changes in the size and composition of our portfolio, and in the case of the 2016 information included in our 2017 Consolidated Financial Statements, also due to the fact that such information only comprises the three-month period subsequent to the merger with the residential business unit of Metrovacesa.

Moreover, since we intend to continue expanding our portfolio in the future, the information included herein regarding our current portfolio of properties may not be indicative of our future business, financial condition or results of operations. As of the date of this Informational Document, we have a sizeable investment pipeline exclusively based on multi-family residential properties with an estimated aggregate GAV of approximately €39 million (representing approximately 2,959 apartments). For additional information, see "*Business—Business Operations—Portfolio Management—Pipeline*". In addition, in March 2018 we entered into the New Portfolio Purchase Agreement, under which will acquire 1,458 apartments subject to the fulfilment of certain conditions precedent. See "*Business—BuildingCenter Portfolio*". The completion of this and other potential transactions in the future could further reduce the comparability of the Consolidated Financial Statements to our future business, financial condition and results of operations. The timing of our acquisition of real estate properties and any delays in when such properties begin to generate rental income may affect our revenue and

operating profit, which may make comparisons between periods difficult. Lastly, we may also decide to divest certain properties if consistent with our strategy which would also affect the comparability of our results.

Election of Spanish SOCIMI status

Following the approval of the then sole shareholder of the Company, TIRSA, on September 22, 2016, we elected for Spanish SOCIMI status under the SOCIMI Regime and notified such election to the Spanish tax authorities by means of the required filing. Such election will remain in effect until we elect to forego such status or we do not meet the legal requirements applicable to SOCIMIs. As a result of this election, we are subject to a 0% Corporate Income Tax rate (with certain exceptions, as set forth in “*Spanish SOCIMI Regime and Taxation Information—Spanish Tax Considerations—Spanish corporate income taxation of entities qualifying for the SOCIMI Regime*”) with effect from and including the fiscal year ended December 31, 2016.

The requirements for maintaining Spanish SOCIMI status are complex. These include, among others, requirements regarding the composition of our assets and annual income, as well as a mandatory dividend distribution requirement. In particular, under the Spanish SOCIMI Regime, a SOCIMI is required to adopt resolutions for the distribution of dividends to shareholders, after fulfilling any relevant Spanish Companies Act requirement, within the six months following the closing of a fiscal year of: (i) at least 50% of the profits derived from the transfer of real estate properties, Qualifying Subsidiaries and interests in real estate collective investment funds, provided that the transfer has been carried out once the required minimum holding period of three years has ended; the remaining profits must be reinvested in other real estate properties or similar shareholdings 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).

Our election for Spanish SOCIMI status has especially impacted our corporate taxes and the amount of dividends distributed in 2016 and 2017.

Termination of the Merlin Services Agreement

On January 3, 2018, we served a termination notice of the Merlin Services Agreement to Merlin Properties. The termination was effective as of January 19, 2018 and entailed the payment of (i) the unpaid and accrued fees for the services provided by Merlin Properties as of January 19, 2018, amounting to €2,220,088.71, plus VAT; and (ii) a penalty for early terminating the Merlin Services Agreement, which we chose to pay in newly issued ordinary shares, amounting to 640,693,342 newly issued ordinary shares, with a par value of €0.01 and a premium of €0.130037800013383 each, for a total amount of €89,721,286.09, plus VAT (amounting to €18,841,470.08) with the VAT amount being paid in cash.

As a result of the payment obligations referred to above, in the three months ended March 31, 2018 we recorded a provision which increased our “Other operating expenses” by €107,244 thousand.

Factors Affecting Our Financial Condition and Results of Operations

Our results of operations are affected by a number of factors, including the following:

Portfolio size, in-place rent and occupancy rates

Income from property management depends on the performance of the key operational metrics in the rental business, mainly, portfolio size, in-place rent and occupancy rates.

Our portfolio is mostly composed of apartments. The table below shows the number of apartments, the average monthly in-place rent per square meter and the average occupancy rate of our apartments as of March 31, 2018 and December 31, 2017, respectively. As of December 31, 2017 and March 31, 2018, our apartments represented 95% of our total GAV. This includes parking spaces and storage units which are rented together with our apartments.

Number of Apartments		In-place Rent (€/sqm/month) ⁽¹⁾		Occupancy Rate (%) ⁽²⁾	
As of March 31, 2018	As of December 31, 2017	As of March 31, 2018	As of December 31, 2017	As of March 31, 2018	As of December 31, 2017
9,244	9,244	7.6	7.5	91.0%	89.5%

(1) In-place residential rent as of March 31, 2018 and December 31, 2017, calculated as passing gross residential rents (€/month) as of such dates based on the Company's lease agreements over rented residential GLA as of such dates, respectively, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.

(2) Rented residential GLA as of March 31, 2018 and December 31, 2017 divided by residential GLA as of such dates, respectively, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.

The majority of our parking spaces and storage units are rented together with our apartments. Therefore vacant parking spaces and storage units are generally linked with our vacant apartments. The only relevant stand-alone parking is our Plaza de Castilla car park. For more information on our car parks not rented together with our apartments see “*Business—Our Portfolio—Portfolio in Detail—Portfolio Segmentation—Non-core Assets*”.

We also own 701 parking spaces which are not rented together with our apartments, 296 residential-linked commercial assets located in buildings where we have apartments, and an office building. The majority of these properties are rented while the rest are in commercialization. While we do not expect the commercial vacancy rate to change significantly, we may analyze different options to increase occupancy which may have an impact in the mid-term. The yield on our commercial portfolio is approximately 4.3% and the financial vacancy rate stands at 10.2% as of December 31, 2017 (calculated as in-place rent of occupied sqm divided by total in-place rent).

In particular, our leased office building represents 5% of our non-core GAV and 5% of our non-core and is rented to a single tenant under a lease agreement which initial term expires on April 19, 2020 and can be extended up to two times, for an additional two-year period the first time (until April 19, 2022), and for an additional five-year period the second time (until April 19, 2027).

Portfolio size

Our revenue depends significantly on the number of properties managed by us and the type and quality of such properties. Income from property management tends to increase or decrease with changes in the size of the portfolio. During the year ended December 31, 2017, we increased our portfolio from 4,677 apartments to 9,244 apartments (resulting in a 97.6% increase). See “*—Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Changes in the size and composition of the properties in our portfolio*” for additional information on this increase. During the three months ended March 31, 2018, we have not increased the size of our portfolio. Nevertheless, in March 2018 we entered into the New Portfolio Purchase Agreement, under which will acquire 1,458 apartments subject to the fulfilment of certain conditions precedent. See “*Business—BuildingCenter Portfolio*”. As of the date of this Informational Document, after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments of this portfolio for a purchase price of €226 million. In addition, in June 2018 we acquired the Additional BuildingCenter Parking Spaces (see “*Business—Additional BuildingCenter Parking Spaces*”).

We intend to continue to grow our portfolio through further acquisitions in the future and our goal is to acquire between 1,000 and 2,000 properties each year (see “*Business—Business Operations—Portfolio Management*” and “*—Investment in our portfolio*”).

While such acquisitions should positively affect rental income, the impact on operating measures such as occupancy rates and financial measures such as LTV and EPRA NAV will depend on the characteristics of the acquired properties and related financing structure and market conditions. The growth of our business going forward will depend on our ability to identify and acquire suitable real estate assets that fit our business strategy and contribute additional rental or other income without incurring disproportionate costs.

We may also seek to optimize the overall quality of our portfolio and its accretion potential by implementing selective sales of properties. See “—Disposals of properties”. While rental income is negatively affected by a decline in the size of the portfolio, portfolio optimization tends to result in improvements in average rental and occupancy rates for the remaining portfolio. In addition to such voluntary sales, some of our currently outstanding apartment lease agreements contain an option that allows the tenant to purchase the relevant property from us for a price that is already determined in the lease contract and which may be below its current fair market value, with rents paid in the past typically being deducted from the purchase price. In addition, with respect to properties in respect of which we own surface rights, our surface rights exist only for a defined period of time after which our surface rights will expire and the right to operate the buildings built on the land will revert to the relevant regional governments for no additional consideration. See “Business—Our Portfolio—Portfolio in Detail—Key Legal Features of Portfolio—Ownership Regime”.

In-place rent

Our in-place rent per square meter is a material factor affecting our gross rental income and our results of operations and it depends primarily on the location, size and quality of our properties, their surrounding area and general economic and demographic conditions. Real estate assets of a higher quality or in premium locations generally command higher acquisition prices but also achieve higher in-place rent when leased to tenants. Additionally, properties that represent refurbishment opportunities generally command relatively lower acquisition costs but require additional costs in respect of their refurbishment, after which we would typically expect in-place rent on such properties to increase.

We follow a bottom-up approach to define our rent strategy on a building-by-building basis. We generally aim to adjust rents on an ongoing basis according to current market conditions, subject to any applicable legal restrictions. Our deep knowledge of the dynamics of the submarkets in which we are present enables us to analyze the feasibility of increasing in-place rents. For additional information on our rent management strategy, see “Business—Business Operations—Revenue Management—Rent Management”.

Legal restrictions on rent increases are key factors affecting our rental income. Our lease agreements, which generally provide for a one-year term and up to two one-year automatic renewals unless a prior written notice is served by the tenant indicating otherwise, generally limit our ability to increase rent rates, with such rates being annually updated in accordance with the CPI. Furthermore, we are subject to particularly stringent legal restrictions with respect to those of our properties which are subject to a social housing regime (representing approximately 12.9% of our GAV and 16.0% of our GRI as of December 31, 2017) or in respect of which lease agreements were entered into prior to 1995 (representing approximately 1.0% of our GRI as of December 31, 2017). For additional information, see “Business—Our Portfolio—Portfolio in Detail—Key Legal Features of Portfolio”. As a result of these legal restrictions, we might not always be able to fix or increase rent in a manner or to the extent that would be in our economic interest to do so.

Occupancy rates

Occupancy rates also affect the profitability of our rental business as vacancies result in a loss of rental income and render us unable to pass on to tenants the ancillary expenses with respect to vacant units. Both occupancy/vacancy levels and the rents achievable by us on the real estate assets we manage are heavily influenced by economic conditions. Occupancy rates can vary by region and asset class throughout the real estate cycle. Further, demographic trends and the condition and attractiveness of our particular properties will also drive such rates.

A decline in the occupancy rates at our properties could cause a reduction in our rental income. Such decline could be the result of a decrease in demand for properties in our portfolio or the result of certain of our properties being temporarily unavailable for occupancy due to required maintenance, modernization or other reasons. Tenant turnover contributes to vacancy rates as time may elapse before newly vacated units can be re-let. Properties typically remain vacant for around two months after non-renewal of a lease agreement. In addition, high tenant turnover leads to increased expenses incurred for re-letting properties, such as advertising expenses.

By contrast, an increase in occupancy rates would generally have a positive effect on our rental income, assuming stability in other factors such as the total number of properties owned by us and in-place rent.

Our vacancy management efforts are mainly devoted to (i) reducing tenant turnover and (ii) minimizing the time period required for re-letting and expediting the entrance of new tenants. In the short-term, we are focusing on

improving the occupancy rate in properties transferred to us throughout 2016 and 2017 and which were previously undermanaged. For additional information on our vacancy management strategy, see “*Business—Business Operations—Operational Strategy—Revenue Management—Vacancy Management*”. As of December 31, 2017 our average tenant’s period of occupation is of 4.48 years.

We aim to increase our residential occupancy rate from 89.5% as of December 31, 2017 to 95.0% in the next three years. For more information see “*Business—Business Operations—Operational Strategy—Revenue Management—Vacancy Management*”.

Property operating expenses

Net rental income equals rent revenues minus non-recoverable expenses of the leased properties as reported in our Consolidated Financial Statements. Accordingly, net rental income is significantly influenced by the amount of expenses incurred in connection with generating rental income from the relevant properties. These expenses comprise various components, including cost of materials, facility management costs, insurances and other operating expenses arising from the rental of real estate, which we cannot pass on to tenants and therefore are non-recoverable. In addition, expenses in connection with rental income also include those expenses relating to vacant properties.

By having an efficient management structure, we attempt to keep operating expenses as low as possible while still maintaining our targeted quality standard. We regularly explore new ways of optimizing our cost structure and exploiting our significant economies of scale, including by entering into framework agreements with selected suppliers which set forth pre-agreed prices and conditions and leveraging on our increasing bargaining power with service providers. For additional information on our cost management strategy and certain measures we have adopted to optimize costs, see “*Business—Business Operations—Cost Management*”.

We expect our property operating expenses relating to our current portfolio and platform to grow generally in line with CPI, except for property expenses attributable to services that are managed or controlled by our Company (such as maintenance, concierge, cleaning and security services) and community association charges (*gastos de comunidad*), which we expect to decrease on average approximately 3-4% in the next three years stabilising at €11 sqm/year, mainly due to an increase in economies of scale and as a result of the increase in the number of buildings where we own the majority of properties.

We also expect the amount of expenses passed on to tenants to generally grow in line with CPI.]

Property values and valuation

The value of our real estate properties has a significant effect on our financial performance. We expect our investment properties to be typically revalued twice a year (as of June 30 and December 31) by external appraisers 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). Changes in certain market conditions such as prevailing rents and vacancy rates may affect the values of our properties. In addition, discount rates and the capitalization rates that are derived from the interest rates in the market and the risk premium applied to our business may significantly influence the valuation of our investment properties.

Any changes in the fair value of our portfolio are recognized as gains or losses on our income statement and can substantially affect our results of operations. In addition, GAV, which in our case is based on the most recent valuation of our real estate properties on a consolidated basis, is a widely used measure by certain of our peers, investors, securities analysts and other interested parties to assess the evolution of companies in the real estate sector. Moreover, a temporary or permanent drop in real estate values would lead to an increase in our LTV ratio and may affect our ability to satisfy the financial covenants or other terms of our existing credit facilities, as well as any variable remuneration or incentive plan that we may establish for our managers that may directly or indirectly be linked to the evolution of our real estate values.

Real estate valuation, however, is inherently subjective, in part because all real estate 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 real estate property. See “*Risk Factors—Risks Related to Valuations, Forward-Looking Statements and Financial Information included in the Informational Document —The Valuation Report and/or additional existing or future valuation reports could incorrectly assess the value of our properties*”. If we were to dispose of a property

in the future, the price which we will be able to realize will depend on, among other things, market conditions at the time of the sale and may not always correspond with the most recent valuation of such property. The price achieved by us upon the sale of a property will affect both our income during the financial reporting period in which the property is sold and the amount of proceeds we have available to reinvest in our business or re-deploy in subsequent investments.

Based on the information provided in the Valuation Report, as of December 31, 2017 we performed the following sensitivity analysis in our 2017 Consolidated Financial Statements:

Capitalization rate of return

The effect of a change of 25, 50 or 100 basis points in the required capitalization rate of return on investment property, calculated as rent divided by the market value of the assets, on our consolidated assets and results of operations as reported in our 2017 Consolidated Financial Statements, would be as follows:

	Thousands of euros					
	Assets			Consolidated net profit/(loss)		
	0.25%	0.50%	1%	0.25%	0.50%	1%
Increase of 0.25%, 0.50% or 1% in the rate of return	(25,886)	(51,043)	(100,200)	(25,886)	(51,043)	(100,200)
Decrease of 0.25%, 0.50% or 1% in the rate of return	26,456	53,516	109,475	26,456	53,516	109,475

Rent

The effect of a change of 1%, 5% and 10% in the rent generated by investment properties, on our consolidated assets and results of operations as reported in our 2017 Consolidated Financial Statements, would be as follows:

	Thousands of euros					
	Assets			Consolidated net profit/(loss)		
	1%	5%	10%	1%	5%	10%
Increase of 1%, 5% and 10% in market rent	10,226	51,001	102,199	10,226	51,001	102,199
Decrease of 1%, 5% and 10% in market rent	(10,732)	(53,795)	(108,407)	(10,732)	(53,795)	(108,407)

Exit yield

The effect of a variation of 25 and 50 basis points in the exit yield with respect to investment properties, calculated as the result of dividing the net operating income of the last year of the period analyzed by the estimated exit value, on our consolidated assets and results of operations as reported in our 2017 Consolidated Financial Statements, would be as follows:

	Thousands of euros			
	Assets		Consolidated net profit/(loss)	
	0.25%	0.50%	0.25%	0.50%
Increase of 0.25% or 0.50% in the Exit Yield	(48,944)	(91,959)	(48,944)	(91,959)
Decrease of 0.25% or 0.50% in the Exit Yield	56,221	121,553	56,221	121,553

Investment in our portfolio

We have invested, and we plan to continue investing, in the acquisition of new properties and, to a lesser extent, the maintenance, repair and modernization of our properties and the overall improvement of the quality of our properties.

As of the date of this Informational Document, we have an investment pipeline exclusively based on multi-family residential properties with an estimated aggregate GAV of approximately €39 million (representing approximately 2,959 apartments). See “*Business—Business Operations—Portfolio Management—Pipeline*”. In addition, in March 2018 we entered into the New Portfolio Purchase Agreement, under which will acquire 1,458 apartments subject to the fulfilment of certain conditions precedent. In particular, as of the date of this

Informational Document, and after fulfilment of the applicable conditions precedent, we have already acquired 1,450 apartments of the BuildingCenter Portfolio for a purchase price of €226 million pursuant to the New Portfolio Purchase Agreement. See “*Business—BuildingCenter Portfolio*”. Also, in June 2018 we purchased the Additional BuildingCenter Parking Spaces for an aggregate purchase price of €24,356.58 (see “*Business—Additional BuildingCenter Parking Spaces*”). The acquisition of the BuildingCenter Portfolio has been financed with two mortgage loans entered into with ING Bank N.V. and CaixaBank, S.A. for an amount of approximately €130 million and €100 million, respectively. Both mortgage loans have a 7-year maturity, a floating interest rate tied to EURIBOR + 100 bps, a first-ranking mortgage over certain separate real estate assets and a pledge over credit rights under certain agreements. Additionally, potential funding sources for new investments are financing from credit institutions, capital markets, internally generated cash flow arising from the rental of our properties or, to a limited extent, the sale of certain of our properties. Furthermore, as of the date of this Informational Document, we have significant cash resources of c.€58 million and undrawn committed credit facilities totaling approximately €100 million that could be used in the financing of said acquisitions.

Moreover, we undertake to maintain our properties in good condition in order to maximize their value and therefore the rents that we can generate. Our capex strategy is focused on value creation and we develop individualized capex strategies for properties in our portfolio. These mainly include (i) re-letting capex measures, which are focused on the repositioning of vacant properties following the non-renewal of their lease agreements and before they are offered again for lease; and (ii) premium capex measures, consisting in high-quality refurbishments of properties in prime locations by means of which we aim to capture top tier demand and premium pricing and targeting yields of at least 10% discount over GAV (excluding any reversionary potential). See “*Business—Business Operations—Capex Strategy*” for additional information on our capex strategy.

The costs and time of implementation of maintenance, repair and modernization measures depend heavily on the size of our portfolio, quality and location of the affected properties, the tenants’ quality expectations, and the scope of the measures to be carried out. As of March 31, 2018, approximately 84% of our apartments were under 20 years old, which significantly reduces obsolescence risk and the level of maintenance expenses and capex. Given the quality and average year of construction of our properties, we expect to have limited and stable maintenance and modernization capex requirements in coming years based on our current business plan and portfolio. Our maintenance capex was €1,128 thousand and €1,379 thousand for the three months ended March 31, 2018 and 2017, respectively (€3,339 thousand for the year ended December 31, 2017).

While we expect our capital expenditures relating to our current portfolio to remain stable, our capital expenditures for future periods could change as we acquire additional properties, including properties in our investment pipeline. We may acquire properties that require refurbishment before they begin generating rental income, and given the timing of our investments relative to the income that they produce, our results of operations or other indicators of our financial performance may not be directly comparable across different financial periods. Our actual capex requirements may exceed the amounts we currently expect or describe in this Informational Document. See “*Important Information—Forward-Looking Statements*”.

Most of our maintenance and repair expenses are recognized as non-recoverable expenses of the leased properties within other operating expenses and thus impact our results of operations. Capitalized maintenance and modernization measures are not recognized as expenses, but are rather capitalized on the Group’s balance sheet and increase the reported value of investment properties on the Group’s balance sheet.

Rental operations start-up costs

We have made substantial portfolio acquisitions since 2016 and we seek to continue acquiring new properties that fit within our business strategy. The costs and expenses incurred during the first year of a recently acquired property are typically higher than in subsequent years. Before an acquired property becomes an income-producing, or rent-ready, property, we must take possession of the property (to the extent it remains occupied by a hold-over property owner), renovate, market and lease the property. In addition, the acquisition of residential properties typically involves the outlay of capital beyond payment of the purchase price, including payments for property inspections, closing costs, title insurance, transfer taxes, recording fees and broker commissions. There could be other one-time start-up costs, such as increased initial marketing costs related to the attraction of customer traffic (especially if the relevant property has been newly constructed or redeveloped) and certain expenses related to tenant common areas, which are either not necessary in similar amounts in subsequent years or are eventually passed on to tenants. In addition, rents generated during the first year of operation of a recently acquired rental property may be lower than in future periods as we may feel more inclined to offer rent abatements or other below-market options to new tenants. Moreover, the time and cost involved in preparing

new properties for rental can vary significantly for several reasons, including the condition of the property and whether the property was vacant when acquired. Accordingly, the relative maturity of the rental properties we have in any particular period may significantly affect the margin of our rental operations and, therefore, our overall results of operations and their comparability.

Disposals of properties

Although our intention is to keep the properties in our portfolio for the long term, we may selectively and occasionally decide to sell one or more of our properties from time to time. We have a short-to-medium term asset rotation strategy to dispose of properties in locations with low growth and development potential, taking advantage of the cycle upswing. For the long-term, our strategy is to selectively sell certain of our properties in good locations once they reach their expected peak capital appreciation level.

In particular, a total of 12 assets were disposed of in 2017, representing an aggregate GAV of approximately €4 million for an aggregate selling price of approximately €4.4 million (10% premium over GAV). The sale of these assets was due to the fact that said sales had been entered into and agreed upon by Metrovacesa prior to the contribution of its residential business unit to us in October 2016 (See—*Changes in the size and composition of the properties in our portfolio*”).

In addition, some of our currently outstanding apartment lease agreements contain an option that allows the tenant to purchase the relevant property from us for a price that is already determined in the lease contract and which may be below its current fair market value, with rents paid in the past typically being deducted from the purchase price. See “*Risk Factors— Risks Relating to our Company—We may be forced to sell a portion of our portfolio on unfavorable terms*”. We do not currently intend to include a purchase option in new lease contracts we enter into for residential rental in the future.

The proceeds from disposals we eventually make depend on the number of properties sold and their respective prices, as well as costs related to such disposals. Except with respect to any sales made under the purchase options referred to above, sales prices of properties depend on supply and demand, which are influenced substantially by the location and condition of the property in question, prospective rental income and local market, as well as general economic conditions. In addition, tenant profile and purchasing power are also relevant to sales prices. Moreover, increases in the construction of new residential units can adversely affect the prices that we can realize from disposals.

Disposals affect our revenues through the gains or losses from such disposals when they are recognized and can also significantly affect our rental revenues and costs associated with the operation of our properties going forward. Disposals can also have a deleveraging effect by extinguishing the financing arrangement associated with the disposed property, if any. Accordingly, our results of operations of a particular period in which we have made a significant disposal may not fully reflect our performance for such period and period-to-period comparisons of our results of operations may not reflect the then-current trends relevant to the operation of our rental business.

Demographic and macroeconomic market conditions

The rental income from and market value of our portfolio depend to a significant degree on general macroeconomic and market factors and demographic trends prevailing in Spain and the regions where we operate.

Cyclical economic developments beyond our control, including changes in growth and unemployment rates, price trends and interest rate levels, affect rental income levels, opportunities for acquisitions, the potential for property sales, valuations and purchase prices. We have benefited from economic growth and favorable market conditions in the periods under review, which have contributed to higher rents. However, there can be no assurance that the recent growth and the general recovery of the Spanish economy will be sustained given continued uncertainties in the EU and Spanish economic and political outlook. In addition, our focus on the high end of the residential real estate market may make us more vulnerable to economic downturns, as such downturns could materially reduce the size of our target tenant base, worsen the affordability of our portfolio or otherwise affect demand for our properties.

Furthermore, demographic factors such as changes in living space per capita, average household size, home ownership rate and migration patterns also affect the rental yields and market values of the properties in our

portfolio. While rented accommodation is starting to gain ground compared to owned housing as Spain progressively moves towards the European average of 33.5% (source: Eurostat), currently still close to four out of every five households in the country own their primary residence, one of the highest rates of home ownership in Europe (source: Eurostat).

For additional information on the main demographic and macroeconomic trends affecting our business, see “*Risk Factors—Risks Relating to Macroeconomic, Demographic and Political Factors*”.

Cyclical nature of the real estate industry

Our results of operations are affected by the cyclical nature of the real estate industry. Real estate markets are cyclical in nature and are affected by the condition of the economy as a whole. Our performance is subject, among other factors, to the conditions of the real estate market in Spain and, in particular, the regions where we operate, which will affect both the value of the properties that we currently own and will acquire in the future and the rental income these properties yield. Property values and rents are affected by, among other factors, supply and demand for comparable properties, the liquidity of real estate investments, interest rates, inflation, the rate of economic growth, tax laws and political and economic developments and demographic and social factors in the regions in which we have operations. Cyclical changes in the real estate market in Spain could result in fluctuations in our results of operations.

GDP growth, coupled with low interest rates and large-scale immigration, produced a credit boom that started at the end of the 1990s, which in turn led to a real estate bubble that peaked in 2007. By 2007, there was more new construction in Spain than in France, Germany, or Britain, and the sector accounted for approximately 14% of Spanish employment. From 2007 to 2013, the impact of the international credit crisis, the European sovereign debt crisis and the Spanish economic crisis (which led to large increases in unemployment rates in Spain), an overhang of excess supply of real estate, overleveraged local real estate companies and developers and the absence of bank financing in the Spanish property market, led to a strong cyclical downturn and structural repricing of Spanish real estate assets. As a result, since peaking in 2007, the Spanish real estate property market saw a severe decline in the value of real estate assets, real estate transaction activity and investment volumes. In addition, companies operating in the real estate sector in Spain suffered significant downward adjustments of the valuation of asset portfolios.

The residential real estate market started to recover in 2014 in some Spanish provinces, just as the Spanish economy showed signs of improvement. The recovery continued in subsequent years, with the Spanish market seeing continued housing price growth since the beginning of 2016, supported by favorable macroeconomic and demographic trends. Housing price growth has also been supported by rental price growth, mainly in Madrid, where we are mainly focused, and Catalonia. Increasing rental prices, however, typically drive households into considering owning, which in turn exerts upward pressure on housing prices. In addition, housing price growth has been accompanied by an increase in the construction of residential units. Such an increase could in turn lead to an increase in the vacancy in our portfolio and adversely affect our results of operations.

In spite of the current momentum, we cannot predict whether these trends will continue or improve or whether a change in trends will negatively affect our business. Given the cyclical nature of the real estate industry, downturns and valuation adjustments are likely to occur again in the future which could materially adversely affect our results of operations.

Impact of interest rate changes and cost of financing

Changes in interest rates and in risk premiums affect our business in a number of ways. Interest rates and risk premiums affect capitalization and discount rates, which in turn influence the fair value of our properties. In particular, rising interest rates can adversely affect the valuation of our properties, which may require us to recognize a valuation impairment charge that would negatively affect our results of operations. In addition, rising interest rates lead to economically less favorable financing terms and may negatively affect the sale of properties. Conversely, low interest rates tend to increase demand for properties, resulting in higher acquisition costs but lower interest expenses.

In addition, we depend on the availability of external financing and our results of operations are materially affected by financing costs. Accordingly, entering into financing agreements on favorable terms, including for the purpose of eventually refinancing our existing financial obligations, is of considerable importance to us. Changes in interest rates affect our cost of financing and interest rates affect our consolidated expenses. The

average interest rate of our debt was 1.53% as of both March 31, 2018 and December 31, 2017 (calculated as the weighted average of interest rates of our secured and unsecured debt plus financial derivatives interest rates at that date). However, we believe that a sustainable level for our interest would be in the region of 2%. Furthermore, as of the date of this Informational Document our bank borrowings are based in part on variable interest rate financing (approximately 29% at March 31, 2018), and we use derivative financial instruments, in particular interest rate swaps, to mitigate the resulting interest rate risk (having an interest-rate risk hedge ratio (defined as the ratio of the value of a position protected through a hedge over the value of the entire position itself) of 71% at March 31, 2018). For additional information on our interest rate derivatives see Note 14 to the 2017 Consolidated Financial Statements. We seek to maintain an interest-rate risk hedge ratio above 80%. See “—Liquidity and Capital Resources—Financial Policies”.

We are currently benefitting from favorable financing conditions, in particular from low interest rates, which may increase in the future. See “Risk Factors—Risks Relating to Macroeconomic, Demographic and Political Factors—The current economic environment is characterized by low interest rates and any rise in interest rates could have material adverse effects on the Spanish real estate market and on us”.

Critical Accounting Policies

The Consolidated Financial Statements and the accompanying notes contain information that is relevant to the discussion and analysis of our results of operations and financial condition set forth below. The preparation of financial statements in conformity with IFRS-EU requires our management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. Estimates are evaluated based on available information and experience. Actual results could differ from these estimates under different assumptions or conditions. We believe that, in particular, the critical accounting policies referred to below are important to an understanding of our financial information.

The most critical accounting policies, which reflect significant management estimates and judgment to determine amounts in our consolidated financial statements, relate to the following:

- (i) investment property (see Note 5.2 to the 2017 Consolidated Financial Statements);
- (ii) revenue recognition (see Note 5.12 to the 2017 Consolidated Financial Statements); and
- (iii) business combinations (see Notes 2.6.4 and 3 to the 2017 Consolidated Financial Statements).

For a description of our significant accounting policies, see Note 5 to the 2017 Consolidated Financial Statements. The main accounting principles and policies and measurement bases used in the Unaudited Interim Condensed Consolidated Financial Statements are the same as those applied in the 2017 Consolidated Financial Statements, except for the standards and interpretations that became effective in the first quarter of 2018. See Notes 2.1 and 2.2 to the Unaudited Interim Condensed Consolidated Financial Statements.

Principal Income Statement Line Items

The following is a brief description of certain captions in our consolidated income statement:

Revenue

Our revenue consists mainly of income from our rental properties and, to a lesser extent, from asset management services we provided to an affiliate of Banco Santander (see “Related Party Transactions—Transactions with the Significant Shareholders—Agreement with Santander Real Estate, S.A., S.G.I.I.C., as the manager of Santander Ahorro Inmobiliario I, S.A.”).

Personnel expenses

Personnel expenses consist of wages, salaries and similar items, including social security costs. We expect personnel expenses to stabilize at run rate (approximately €5 million and €2 million for the fixed and a variable components respectively).

Other operating expenses

Other operating expenses mainly include independent professional services (which consist mostly of fees paid to Merlin Properties under the Merlin Services Agreement (which was terminated with effect from January 19, 2018)) and under the Merlin Interim IT Services Agreement and a variety of costs that we assume with respect to our rental properties, the most significant of which are local taxes, community association charges (*gastos de comunidad*), repairs and maintenance costs and utilities. Expenses passed on to tenants are recorded as a reduction from other operating expenses.

These expenses are borne by the tenant or us depending on the legal regime applicable to the apartment. In this regard, when our properties are not subject to any type of social housing regime or old rent (*renta antigua*) lease agreement we generally bear these expenses and, consequently, when our properties are subject to the aforementioned regimes we generally pass such expenses to tenants. Other taxes and expenses in connection with the lease agreement are borne by the parties according to applicable law, and notarization and record in the land registry, which are borne by the party that requested recording the lease agreement with the land registry.

Depreciation charge

This line item includes mainly the straight-line amortization of concessional assets (in particular, Bentaberri). Investment property is stated at fair value in accordance with IAS 40 at the end of the reporting period and is not depreciated. Investment property comprises land, buildings or other constructions held to earn rents or for capital appreciation upon disposal due to future increases in their respective market prices. We expect depreciation and amortization to remain flat at approximately €3 million going forward

Once IFRS 16 becomes effective, one of the main changes will be the amendment to IAS 40, that shall imply that our right-of-use assets operated under leases will be classified and measured as the rest of our investment properties. The impact of this amendment entails that concession projects will be classified under investments properties, that will result in an estimated increase in value of approximately €9 million.

Changes in fair value of investment property

Changes in fair value of investment property reflects the changes in the fair value of the investment property of the Group. In accordance with IAS 40, the Group periodically (currently, twice a year) determines the fair value of its investment property so that the fair value reflects the actual market conditions of the investment property at that date. The fair value is determined by reference to the appraisals carried out by independent appraisers twice a year. See Notes 5.2 and 7 to the 2017 Consolidated Financial Statements.

Financial expenses

Financial expenses consist of costs derived from bank borrowings, which in turn included for the year ended December 31, 2017 the costs associated with the execution of the Syndicated Facilities Agreement (as defined herein), the ING Loan Agreement (as defined herein) and a new Mortgage Loan Agreement (as defined herein) and the cancellation of the Metrovacesa Loan Agreement (as defined herein), the Coto Loan Agreement (as defined herein) and the ING Loan Agreement during 2017, and other financial expenses.

Changes in fair value of financial instruments

For the year ended December 31, 2017, changes in fair value of financial instruments consisted mainly of the change in the fair value of the non-current liability recorded by our Company under the terms of the Shareholders' Agreement (see "*Significant Shareholders—Shareholders' Agreement*"). Pursuant to such agreement, if we were to fail to conduct an initial public offering of our ordinary shares and have them quoted on the AQS of the Spanish Stock Exchanges by September 21, 2022, Acciona would be entitled to require the redemption of the ordinary shares of our Company that it subscribed for in September 2017. For additional information on this non-current liability and the change in its fair value, see "*—Results of Operations—Consolidated Results of Operations for the Year Ended December 31, 2017 and the Three Months Ended December 31, 2016—Changes in fair value of financial instruments*" and Notes 3 and 15 to our 2017 Consolidated Financial Statements.

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, 2016, subject to certain exceptions, we are subject to a 0% Corporate Income Tax rate (see “*Spanish SOCIMI Regime and Taxation Information—Spanish Tax Considerations—Spanish corporate income taxation of entities qualifying for the SOCIMI Regime*”) as result of our SOCIMI status. In the absence of regulatory changes, we will benefit from this favorable tax regime as long as we maintain such status.

Results of Operations

The table below shows our results of operations for the three months ended March 31, 2018 and 2017, respectively, for the year ended December 31, 2017 and for the three months ended December 31, 2016. The below figures have been extracted from our Unaudited Interim Condensed Consolidated Financial Statements and our 2017 Consolidated Financial Statements.

	For the three months ended			For the three months ended
	March 31, 2018	March 31, 2017	For the year ended December 31, 2017	December 31, 2016
	(unaudited)	(unaudited)		(unaudited)
	(in thousands of euros)			
Revenue.....	17,902	8,794	52,943	9,586
Other operating income.....	14	10	141	3
Personnel expenses.....	(1,341)	(729)	(3,214)	(2,000)
Other operating expenses.....	(117,071)	(5,383)	(25,023)	(4,733)
Depreciation charge.....	(807)	(682)	(3,145)	(810)
Provision surpluses.....	3	-	-	-
Gains/(losses) from assets disposals.....	-	233	286	163
Changes in fair value of investment property.....	-	-	65,209	23,953
Operating profit/(loss).....	(101,300)	2,243	87,197	26,162
Finance income.....	-	-	165	1
Financial expenses.....	(2,078)	(1,506)	(11,338)	(1,141)
Changes in fair value of financial instruments.....	(756)	86	(5,542)	-
Profit/(loss) before tax.....	(104,134)	823	70,482	25,022
Corporate income tax.....	(125)	(162)	(296)	(241)
Profit/(loss) for the period from continuing operations.....	(104,259)	661	70,186	24,781
Attributable to shareholders of the parent.....	(104,261)	661	70,146	(83,782)
Attributable to non-controlling interests.....	2	-	40	-

Consolidated Results of Operations for the Three Months Ended March 31, 2018 and the Three Months Ended March 31, 2017

As indicated above, the comparability of our consolidated results of operations for the periods discussed below has been significantly impacted by changes in the size and composition of our portfolio during 2017 and 2018. The acquisitions made since January 1, 2017 affect the comparability of all the line items of the consolidated income statement and primarily drove all of the changes in our consolidated income statement for the three months ended March 31, 2018 compared with the prior period. For additional information on factors affecting the comparability of our consolidated results of operations, see “—*Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Changes in the size and composition of the properties in our portfolio*”.

The table below shows our results of operations for the three months ended March 31, 2018 and 2017, respectively.

	For the three months ended	
	March 31, 2018	March 31, 2017
	(unaudited)	(unaudited)
	(in thousands of euros)	
Revenue.....	17,902	8,794
Other operating income.....	14	10
Personnel expenses.....	(1,341)	(729)
Other operating expenses.....	(117,071)	(5,383)
Depreciation charge.....	(807)	(682)
Provision surpluses.....	3	-
Gains/(losses) from asset disposals.....	-	233
Changes in fair value of investment property.....	-	-
Operating profit/(loss)	(101,300)	2,243
Finance income.....	-	-
Financial expenses.....	(2,078)	(1,506)
Changes in fair value of financial instruments.....	(756)	86
Profit/(loss) before tax	(104,134)	823
Corporate income tax.....	(125)	(162)
Profit/(loss) for the period from continuing operations	(104,259)	661
Attributable to shareholders of the parent.....	(104,261)	661
Attributable to non-controlling interests.....	2	-

Revenue

Revenue totaled €17,902 thousand in the three months ended March 31, 2018 and consisted mainly of income from our rental properties (€17,898 thousand) and, to a lesser extent, income from asset management services we provided to an affiliate of Banco Santander (€4 thousand).

Revenues in the three months ended March 31, 2017 totaled €8,794 thousand.

Personnel expenses

Personnel expenses totaled €1,341 thousand in the three months ended March 31, 2018 and primarily related to salaries and wages of our employees and social security expenses.

Personnel expenses in the three months ended March 31, 2017 totaled €729 thousand.

The table below shows the breakdown of such expenses for the three months ended March 31, 2018 and 2017, respectively.

	For the three months ended	
	March 31, 2018	March 31, 2017
	(unaudited)	(unaudited)
	(in thousands of euros)	
Personnel expenses		
Wages, salaries and similar expenses.....	(1,057)	(607)
Other employee welfare costs and taxes.....	(284)	(122)
Total	(1,341)	(729)

Other operating expenses

Other operating expenses totaled €117,071 thousand in the three months ended March 31, 2018 and mainly consisted of the provision recorded in connection with the early termination of the Merlin Services Agreement (which was terminated with effect from January 19, 2018), which amounted to €107,244 thousand) and certain of the costs that we assume with respect to our rental properties, mainly local taxes, community association charges (*gastos de comunidad*) and repairs and maintenance costs.

Other operating expenses in the three months ended March 31, 2017 totaled €5,383 thousand.

The table below shows the breakdown of other operating expenses for the three months ended March 31, 2018 and 2017, respectively.

	For the three months ended	
	March 31, 2018	March 31, 2017
	(unaudited)	(unaudited)
	(in thousands of euros)	
Other operating expenses		
Non-recoverable expenses on leased properties	(3,957)	(2,807)
General expenses		
Professional services.....	(4,863)	(2,032)
Lease of offices.....	(43)	(23)
Taxes other than income tax	(233)	(461)
Other.....	(720)	(60)
Provision for withdrawal from services agreement	(107,244)	-
Losses, impairment, and changes in provisions	(11)	-
Total	(117,071)	(5,383)

Depreciation charge

The depreciation charge totaled €807 thousand in the three months ended March 31, 2018. The depreciation charge for the three months ended March 31, 2017 was €682 thousand.

This line item includes mainly the straight-line amortization of concessional assets (in particular, Bentaberri). Investment property (which comprises land, buildings or other constructions held to earn rents or for capital appreciation upon disposal due to future increases in their respective market prices) is stated at fair value in accordance with IAS 40 at the end of the reporting period and is not depreciated. See “—Principal Income Statement Line Items—Depreciation charge”.

Operating profit/(loss)

As a result of the factors described above, our operating loss for the three months ended March 31, 2018 totaled €101,300 thousand.

In the three months ended March 31, 2017 our operating profit was €2,243 thousand.

Financial expenses

Financial expenses totaled €2,078 thousand for the three months ended March 31, 2018 and related mainly to costs derived from bank borrowings.

Financial expenses totaled €1,506 thousand in the three months ended March 31, 2017 and related mainly to costs derived from bank borrowings.

Changes in fair value of financial instruments

Changes in fair value of financial instruments resulted in an expense of €756 thousand for the three months ended March 31, 2018 and changes in fair value of financial instruments resulted in an income of €86 thousand for the three months ended March 31, 2017.

Profit/(loss) before tax

As a result of the factors described above, we generated a loss before tax of €104,134 thousand in the three months ended March 31, 2018.

For the three months ended March 31, 2017 we generated a profit before tax of €823 thousand.

Corporate income tax

In the three months ended March 31, 2018 we generated a corporate income tax expense of €125 thousand and in the three months ended March 31, 2017 our corporate income tax expense was €62 thousand. These taxes mainly derived from the sales of Qualifying Assets (as defined herein) prior to the expiration of the required minimum holding period (see “Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Minimum holding period”).

Profit/(loss) for the period

As a result of the above, we generated a loss of €104,259 thousand in the three months ended March 31, 2018.

We generated a profit of €661 thousand in the three months ended March 31, 2017.

Consolidated Results of Operations for the Year Ended December 31, 2017 and the Three Months Ended December 31, 2016

As indicated above, the comparability of our consolidated results of operations for the periods discussed below has been significantly impacted by changes in the size and composition of our portfolio during 2017. In addition, while the 2017 consolidated financial information presented below includes the twelve months ended December 31, 2017, the 2016 consolidated financial information presented below includes only the three-month period ended December 31, 2016 subsequent to our merger with the residential business unit of Metrovacesa. The financial information shown below for such periods is, therefore, not comparable. See “—Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Changes in the size and composition of the properties in our portfolio”.

The table below shows our results of operations for the year ended December 31, 2017 and the three months ended December 31, 2016, respectively.

	For the year ended December 31, 2017	For the three months ended December 31, 2016
		<i>(unaudited)</i>
	(in thousands of euros)	
Revenue	52,943	9,586
Other operating income.....	141	3
Personnel expenses	(3,214)	(2,000)
Other operating expenses.....	(25,023)	(4,733)
Depreciation charge	(3,145)	(810)
Gains/(losses) from asset disposals.....	286	163
Changes in fair value in investment property	65,209	23,953
Operating profit/(loss)	87,197	26,162
Finance income.....	165	1
Financial expenses	(11,338)	(1,141)
Changes in fair value of financial instruments.....	(5,542)	—
Profit/(loss) before tax	70,482	25,022
Corporate income tax.....	(296)	(241)
Profit/(loss) for the period from continuing operations	70,186	24,781
Attributable to shareholders of the parent	70,146	24,781
Attributable to non-controlling interests	40	—

Revenue

Revenue totaled €52,943 thousand in the year ended December 31, 2017 and consisted mainly of income from our rental properties (€52,439 thousand) and, to a lesser extent, income from asset management services we provided mainly to an affiliate of Banco Santander (€504 thousand). Approximately 60.3% of our rent revenue was attributable to our activities in the autonomous region (*comunidad autónoma*) of Madrid, whereas our activities in the Basque Country, Catalonia, the Valencian Community and the Balearic Islands contributed 7.6%, 4.8%, 4.1% and 4.1% of our rent revenue, respectively.

Revenue in the three months ended December 31, 2016 totaled €9,586 thousand and consisted mainly of income from our rental properties (€9,035 thousand) and, to a lesser extent, income from asset management services we provided mainly to an affiliate of Banco Santander (€551 thousand). Approximately 62.6% of our rent revenue was attributable to our activities in the autonomous region (*comunidad autónoma*) of Madrid, whereas our activities in the Basque Country, Catalonia, the Valencian Community and the Balearic Islands contributed 11.8%, 1.9%, 4.6% and 5.5% of our rent revenue, respectively.

Personnel expenses

Personnel expenses totaled €3,214 thousand in the year ended December 31, 2017 and primarily related to salaries and wages of our employees and social security expenses.

Personnel expenses in the three months ended December 31, 2016 totaled €2,000 thousand.

The table below shows the breakdown of such expenses for the year ended December 31, 2017 and the three months ended December 31, 2016.

	For the year ended December 31, 2017	For the three months ended December 31, 2016 <i>(unaudited)</i>
	<i>(in thousands of euros)</i>	
Personnel expenses		
Wages, salaries and similar expenses.....	(2,568)	(1,871)
Other employee welfare costs and taxes	(646)	(129)
Total	(3,214)	(2,000)

Other operating expenses

Other operating expenses totaled €25,023 thousand in the year ended December 31, 2017 and mainly consisted of independent professional services (in particular, fees paid to Merlin Properties under the Merlin Services Agreement (which was terminated with effect from January 19, 2018) totaled €9,317 thousand (including VAT)) and certain of the costs that we assume with respect to our rental properties, mainly local taxes, community association charges (*gastos de comunidad*) and repairs and maintenance costs.

Other operating expenses in the three months ended December 31, 2016 totaled €4,733 thousand.

The table below shows the breakdown of other operating expenses for the year ended December 31, 2017 and the three months ended December 31, 2016.

	For the year ended December 31, 2017	For the three months ended December 31, 2016 <i>(unaudited)</i>
	<i>(in thousands of euros)</i>	
Other operating expenses		
Non-recoverable expenses of the leased properties	(13,675)	(2,393)
Overheads		
Independent professional services.....	(8,440)	(1,753)
Office Rental	(216)	(28)
Taxes other than income tax	(1,933)	(416)
Other expenses.....	459	(78)
Impairment of trade receivables	(300)	(65)
Total	(25,023)	(4,733)

Depreciation charge

The depreciation charge totaled €3,145 thousand in the year ended December 31, 2017.

The depreciation charge for the three months ended December 31, 2016 was €810 thousand.

This line item includes mainly the straight-line amortization of concessional assets (in particular, Bentaberri). Investment property (which comprises land, buildings or other constructions held to earn rents or for capital appreciation upon disposal due to future increases in their respective market prices) is stated at fair value in accordance with IAS 40 at the end of the reporting period and is not depreciated. See “—Principal Income Statement Line Items—Depreciation charge”.

Changes in fair value of investment property

The fair value of our investment property increased by €65,209 thousand in the year ended December 31, 2017 mainly as a result of a generalized increase in housing prices which resulted in an increase in the fair value of our properties (based on the appraisals carried out by independent appraisers).

For the three months ended December 31, 2016 the fair value of our investment property increased by €23,953 thousand.

Operating profit/(loss)

As a result of the factors described above, our operating profit for the year ended December 31, 2017 totaled €87,197 thousand.

In the three months ended December 31, 2016 our operating profit was €26,162 thousand.

Financial expenses

Financial expenses totaled €1,338 thousand for the year ended December 31, 2017 and related mainly to interest on bank borrowings and costs associated with the execution of the Syndicated Facilities Agreement, the ING Loan Agreement and a new Mortgage Loan Agreement and the cancellation of the Metrovacesa Loan Agreement, the Coto Loan Agreement and the ING Loan Agreement during 2017 (which totaled €3,821 thousand).

Financial expenses totaled €1,141 thousand in the three months ended December 31, 2016 and related mainly to interest on bank borrowings.

Changes in fair value of financial instruments

Changes in fair value of financial instruments was a €5,542 thousand expense in the year ended December 31, 2017 and related mainly to the change in the fair value of the €355,565 thousand non-current liability recorded under the terms of the Shareholders' Agreement (see "*Significant Shareholders—Shareholders' Agreement*"). Pursuant to such agreement, if we were to fail to conduct an initial public offering of our ordinary shares and have them quoted on the AQS of the Spanish Stock Exchanges by September 21, 2022, Acciona would be entitled to require the redemption of the ordinary shares of our Company that it subscribed for in September 2017. In such event, we would be obligated to pay Acciona, as consideration for the redemption, an amount equal to the result of multiplying the percentage that the redeemed shares represent in our share capital at the time of the redemption by our EPRA NAV at such time. We would be able to pay the consideration for the redemption in cash or by returning the net assets contributed by Acciona in the context of our share capital increase in September 2017.

Under prevailing accounting rules and standards, we recognized a non-current liability arising from the commitment referred to in the foregoing paragraph. Under IAS 32, the liability was initially recognized at the present value of the estimated net value of our assets, and was updated at December 31, 2017 based on the change in fair value. The expense relating to the change in fair value amounted to €5,804 thousand.

Upon completion of an initial public offering of our ordinary shares, the non-current liability referred to above will automatically become equity. For additional information, see Notes 3 and 15 to our 2017 Consolidated Financial Statements.

There were no changes in the fair value of financial instruments in the three months ended December 31, 2016.

Profit/(loss) before tax

As a result of the factors described above, we generated a profit before tax of €70,482 thousand in the year ended December 31, 2017.

For the three months ended December 31, 2016 we generated a profit before tax of €25,022 thousand.

Corporate income tax

In the year ended December 31, 2017 we incurred a corporate income tax expense of €96 thousand. In the three months ended December 31, 2016 our corporate income tax expense was €241 thousand. These taxes mainly derived from the sales of Qualifying Assets (as defined herein) prior to the expiration of the required minimum holding period (see “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Minimum holding period*”).

Profit for the period from continuing operations

As a result of the above, we generated a profit of €70,186 thousand in the year ended December 31, 2017.

We generated a profit of €24,781 thousand in the three months ended December 31, 2016.

Liquidity and Capital Resources

Overview

Our business is capital-intensive, and we expect to have significant liquidity and investment requirements in order to finance and grow our business. Our principal short-term liquidity needs during 2017 have been to fund: (i) the improvement of our assets, this is our maintenance capex that amounted to €3,336 thousand; (ii) finance expenses that amounted to €11,338 thousand (€7,517 thousand excluding the contractual fees for cancellation of loans); and (iii) normal recurring personnel and operating expenses that amounted to €28,237. Our long-term liquidity requirements consist primarily of funds necessary to pay for the acquisition of and non-recurring capital expenditures for our properties (see “*Business—Business Operations*” for information on our portfolio management and capex strategies) and principal payments on our indebtedness (see “*—Contractual Obligations*” for details on our loan repayment dates as of March 31, 2018).

We regularly review our liquidity needs and the adequacy of cash flows from operations and other expected liquidity sources to meet these needs. In the past, our liquidity needs have been met from financing from credit institutions, capital markets, internally generated cash flow arising from the rental of our properties and, to a limited extent, the sale of certain of our properties. Furthermore, as of the date of this Informational Document, we have significant cash resources of c.€58 million and undrawn committed credit facilities totaling approximately €100 million.

As a SOCIMI, we are subject to a mandatory dividend distribution policy (see “*Spanish SOCIMI Regime and Taxation Information—Spanish SOCIMI Regime—Qualification as Spanish SOCIMI—Mandatory dividend distribution*”) as a result of which it is unlikely that we will be able to retain substantial cash balances that could be used to meet our liquidity needs from our annual taxable income. See also “*Dividends and Dividend Policy*” for a description of our dividend policy. As a result, we expect to continue to require significant levels of external finance to fund our liquidity needs going forward. Our ability to obtain such financing will depend on a variety of factors such as market conditions, the general availability of credit, the overall availability of credit to the real estate industry, our credit ratings and credit capacity, as well as the perception of lenders regarding our long or short-term financial prospects.

As of March 31, 2018, we had €475,153 thousand of debt outstanding, part of which was secured by certain of our properties and €475,462 thousand of debt outstanding as of December 31, 2017. Our LTV (calculated as net financial debt (i.e., gross financial debt less cash on hand, checks and deposits at banking institutions) divided by GAV) was 18% and the average cost of our borrowings was 1.5%. See “*Risk Factors—Risks Relating to Our Company—We face potential risks related to our indebtedness, such as refinancing risk*”.

The following table shows our non-current and current financial liabilities at the dates indicated.

	At March 31,	At December 31,	
	2018	2017	2016
	(unaudited)		(unaudited)
	(in thousands of euros)		
Non-current financial liabilities:			
<i>Measured at amortized cost</i>			
Syndicated loan ⁽¹⁾	350,000	350,000	250,000
Syndicated loan arrangement expenses ⁽¹⁾	(2,022)	(1,819)	(287)
Total syndicated loan ⁽¹⁾	347,978	348,181	249,713
Mortgage loans.....	122,915	123,224	98,462
Mortgage loans arrangement expenses.....	(826)	(860)	(264)
Total other loans.....	122,089	122,364	98,198
<i>At fair value</i>			
Derivative financial instruments.....	102	120	940
Total non-current.....	470,169	470,665	348,851
Current financial liabilities:			
<i>Measured at amortized cost</i>			
Mortgage loans.....	2,238	2,238	11,998
Debt interest.....	375	301	635
Total current.....	2,613	2,539	12,633
Total financial liabilities.....	472,782	473,204	361,484

(1) As of March 31, 2018 and December 31, 2017, relates to the Syndicated Facilities Agreement. See “—Borrowings and Other Financing Arrangements—Syndicated Facilities Agreement”. As of December 31, 2016, relates to the Metrovacesa Loan Agreement. See “—Borrowings and Other Financing Arrangements—Metrovacesa Loan Agreement”.

In line with the practices of other groups in the real estate sector, we control our capital structure through the leverage ratio. The ratio is calculated as net debt divided by total capital. Net debt is determined as the sum of financial liabilities, less cash and cash equivalents. Total capital is calculated as the sum of net equity and net debt.

	At March 31,	At December 31,	
	2018	2017	2016
	(unaudited)		(unaudited)
	(in thousands of euros)		
Total bank borrowings.....	472,782	473,204	361,486
Less- Cash and cash equivalents and other current financial assets.....	(57,990)	(71,158)	(28,801)
Net debt.....	414,792	402,046	332,685
Equity.....	1,379,823	1,394,524	674,385
Total capital.....	1,794,615	1,796,570	1,007,070
Leverage ratio.....	23.11%	22.38%	33.03%

Financial Policies

We seek to achieve an optimal capital structure while maintaining clear financial policies. In particular, we seek to maintain:

- (i) a robust and well-balanced capital structure with a Loan to Value (defined as total net debt over GAV, “**LTV**”) below 35%, although we may consider temporarily exceeding such threshold provided our credit rating remains unaffected;
- (ii) an average loan maturity of more than six years;
- (iii) an interest coverage ratio (defined as revenue of the Company of the relevant period divided by the financial expenses of the Company, the “**Interest Cover**”) above 3x;
- (iv) an unencumbered ratio (defined as the ratio of total unencumbered assets over unsecured debt, the “**Unencumbered Ratio**”) above 50% if we issue debt securities in the future;

- (v) an interest-rate risk hedge ratio (defined as the ratio of the value of a position protected through a hedge over the value of the entire position itself) above 80%.

These policies may vary from time to time as we seek to achieve the highest possible financial efficiency taking into consideration our different refinancing alternatives available to fund growth, including: (i) bond issuances; (ii) secured financing; or (iii) drawing current facilities in place.

For information on our dividend policy see “*Dividends and Dividend Policy*”.

Borrowings and Other Financing Arrangements

We utilize a combination of corporate debt and non-recourse debt to finance our cash needs and the growth of our business. As of the date of this Informational Document, we are party to a Syndicated Facilities Agreement, under which three different syndicated loan facilities were granted to us. Following the execution of the Syndicated Facilities Agreement in December 2017, we cancelled the Metrovacesa Loan Agreement, the Coto Loan Agreement and the ING Loan Agreement. We are also party to various mortgage loans, which amounted to €125,462 thousand as of December 31, 2017 and €125,153 thousand as of March 31, 2018, in aggregate terms. Additionally, the acquisition of the BuildingCenter Portfolio has been financed with two mortgage loans entered into with ING Bank N.V. and CaixaBank, S.A. for an amount of approximately €30 million and €100 million, respectively. Both mortgage loans have a 7-year maturity, a floating interest rate tied to EURIBOR + 100 bps, a first-ranking mortgage over certain separate real estate assets and a pledge over credit rights under certain agreements.

The main terms of such financing agreements and debt instruments are summarized below:

Syndicated Facilities Agreement

On December 14, 2017, the Company (as borrower) entered into a syndicated facilities agreement with a syndicate of banks (the “**Lenders**”) and Natixis S.A., Sucursal en España (as agent) (the “**Agent**”) for the purposes of refinancing existing debt and for general corporate purposes of the Group (the “**Syndicated Facilities Agreement**”).

Subject to the terms of the Syndicated Facilities Agreement, the Lenders granted to the Company (i) a term loan facility for a principal amount of €350 million (the “**Facility A**”), (ii) a bridge term loan facility for a principal amount of €350 million which was subsequently cancelled and never drawn and (iii) a currently undrawn revolving loan facility for a principal amount of €100 million (the “**Revolving Facility**,” and together with the Facility A, the “**Facilities**”).

The Syndicated Facilities Agreement was signed under the following main terms and conditions:

- (i) **Termination Date:** (a) in relation to Facility A, December 14, 2022; and (b) in relation to the Revolving Facility, December 14, 2022 (respectively, the “**Termination Date**”).
- (ii) **Interest:** the Syndicated Facilities Agreement contemplates the possibility for the Company to select interest periods of one, three or six months or any other period to be agreed between the Company and the Agent for any loans under the Syndicated Facilities Agreement (the “**Interest Periods**”) bearing daily interest in favor of the Lenders on the outstanding amount on each loan until fully repaid. These interest payments are calculated on the basis of the actual number of days elapsed and a year of 360 days. The Company must pay accrued interest on each loan on the last day of each Interest Period (and, if the Interest Period is longer than six months, on the dates falling at six monthly intervals after the first day of the Interest Periods).
 - (a) **Ordinary interest.** The ordinary interest (the “**Ordinary Interest**”) is calculated by multiplying the outstanding amount by the sum of: (i) EURIBOR (Euro Interbank Offered Rate) for a period equal in length to the Interest Period of the relevant loan; and (ii) the margin (the “**Margin**”), which is 1.20% per annum in relation to loans under the Facility A and the Revolving Facility.
 - (b) **Default interest.** If for any reason the Company fails to meet any of its payment obligations set forth in the Syndicated Facilities Agreement or in any related finance documents described therein,

a default interest (the “**Default Interest**”) will accrue on the amounts due and not paid. The default interest rate will accrue on the overdue amount from the due date up to the date of actual payment, at a rate which will be the sum of 2% per annum and the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably).

- (c) Compounding interest. Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

(iii) *Repayment, Prepayment and Cancellation:*

- (a) Ordinary repayment. The Company must (i) repay each loan under the Facility A on the Facility A Termination Date; and (ii) repay each loan under the Revolving Facility on the last day of its Interest Period and all loans under the Revolving Facility must be repaid in full on the Revolving Facility Termination Date.
- (b) Voluntary prepayment of loans. The Company may, if it gives the Agent not less than three business days’ (or such shorter period as the majority Lenders may agree) prior notice, prepay the whole or any part (subject to a minimum prepayment amount of €1 million) of any loan under any of the Facilities. Loans may only be prepaid after the last day of the availability period for the utilization of the relevant Facility.
- (c) Voluntary cancellation. The Company may, if it gives the Agent not less than three business days’ (or such shorter period as the majority Lenders may agree) prior notice, cancel the whole or any part (subject to a minimum cancellation amount of €1 million) of the aggregate of each Lender’s available commitment. Any cancellation will ratably reduce the commitments of the Lenders under the relevant Facility.
- (d) Early mandatory amortization. In the event of a change of control, the majority Lenders have the right to require the Company to repay the full amount of any loans granted under the Facilities, together with accrued interest, and cancel available commitments. No change of control will be deemed to occur if the third party acquiring control of the Company is an entity (i) dedicated to, or that directly or indirectly manages one or more companies dedicated to, the real estate business sector; (ii) with a solvency similar to the Company; (iii) that holds or manages real estate assets for a gross asset value (prior to acquiring control of the Company) equal to or higher to the relevant percentage of the stake acquired in the Company’s GAV (as calculated in accordance with the Syndicated Facilities Agreement); and (iv) satisfies such “know your customer” requirements (including sanctions, anti-money laundering and anticorruption requirements) as each of the Lenders may require. This carve-out from the application of the change of control provision is available on only one occasion during the term of the Syndicated Facilities Agreement and provided further that no event of default under the Syndicated Facilities Agreement is continuing. In addition, the Company must apply towards prepayment of loans outstanding under the Facilities (and cancel available commitments if applicable) any proceeds in excess of €100 million per year received by any member of the Group for the disposal of any asset, undertaking or business, after deducting any such proceeds applied or invested in existing or new real estate assets of the Group within 180 days from the date on which such proceeds are received. The Listing will not trigger the change of control termination event.

(iv) *Financial Covenants:* during the term of the Syndicated Facilities Agreement, the Company must comply with certain Financial Ratios (as defined below), which are tested every half year. Such Financial Ratios are calculated on a consolidated basis in accordance with the generally accepted accounting principles applicable to the audited consolidated financial statements of the Group as of and for the year ended December 31, 2016 and the non-audited consolidated financial statements of the Group as of and for the six months ended June 30, 2017, and must be expressed in euro. In particular:

- (a) the LTV ratio must not exceed 50%;
- (b) the Interest Cover must not be less than 2.00 to 1;

- (c) the Unencumbered Ratio (for definition purposes, together with the LTV ratio and the Interest Cover, the “**Financial Ratios**”) must not be less than 125%.

In case of a breach of any of the Financial Ratios, the Company may remedy such breach through the injection of equity, contribution of assets or amortization of debt, within three months since the relevant testing date, provided that such cure option cannot be applied more than three times while the Syndicated Facilities Agreement remains in force and not applied in two consecutive testing periods. As of the date of the Informational Document, the Company complies with the Financial Ratios.

- (v) *General Undertakings*: the Company is subject to the following additional covenants under the Syndicated Facilities Agreement:
- (a) Positive covenants: the Company is subject to covenants related to the attainment of authorizations required to perform its obligations under the Syndicated Facilities Agreement; compliance with the law; payment of required taxes; maintenance of insurance; compliance with covenants or obligations affecting the Company’s real estate assets; maintenance of property in good working order; compliance with the Required Guarantor Threshold and the need to enter into contracts in the ordinary course of business and on arm’s length terms.
- (b) Negative covenants: the Company is subject to covenants that restrict its ability to create or permit to subsist any security over any of its assets (subject to certain exceptions, among other, the granting of any security that does not entail a breach of the aforementioned financial covenants); dispose any of its assets on terms whereby they are leased or re-acquired; enter into any merger or corporate reconstruction; change the general nature of its business; comply with the SOCIMI Regime including the mandatory dividend distribution requirements; cease to be a SOCIMI and use the proceeds of any loan under any Facility to pay any person in violation of anticorruption laws or sanctions.
- (vi) *Hedging Agreements*: for the purposes of covering the risk of the interest rate applicable to the Syndicated Facilities Agreement, the Company must maintain hedging agreements that cover at least 60% of the aggregate amount of the loans under the Facility A outstanding from time to time.
- (vii) *Guarantee*: as guarantee for the fulfillment of the undertakings of the Company under the Syndicated Facilities Agreement and the hedging agreements, certain subsidiaries of the Company have granted a personal guarantee in favor of the Lenders and the hedge counterparties. The aggregate EBITDA, gross asset value and turnover of the Company and the guarantors (on a non-consolidated basis and excluding intra-Group items), must represent not less than 70% of EBITDA, gross asset value and turnover of the Group at all times (the “**Required Guarantor Threshold**”).
- (viii) *Pari Passu Ranking*: obligations under the Syndicated Financing Agreement must rank at all times at least *pari passu* in right of priority and payment with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by laws applying to companies generally.
- (ix) *Assignments by the Lenders*: the Lenders are entitled to assign any of their rights under the Syndicated Facility Agreement with no prior consent of the Company if the assignment is (i) made to another Lender or an affiliate of a Lender; or (ii) made at a time when an event of default is continuing. If these requirements are not met, the relevant assignment requires the Company’s prior written consent. Additionally, (i) the Agent must receive a written confirmation from the new lender that it will assume the same obligations as the original Lender; (ii) the Agent must confirm compliance with the “know your customer” procedures for the assignment; and (iii) the assignee must pay a fee of €5,000.

Metrovacesa Loan Agreement

On October 17, 2016, Metrovacesa (as borrower) entered into a loan agreement with Banco Santander, S.A. (as sole bookrunner, agent and lender), BBVA (as lender) and Metrovacesa Alquileres Urbanos, S.L. (as guarantor) for a principal amount of €250 million (the “**Metrovacesa Loan Agreement**”) for the purposes of repaying a syndicated credit facility agreement dated April 27, 2016 among Metrovacesa (as borrower), a syndicate of banks formed by Goldman Sachs Bank USA, ING Bank N.V. and J.P. Morgan Limited (as arrangers) and ING Bank N.V. (as agent).

As a result of the split-up of Metrovacesa and the integration of the residential business unit of Metrovacesa into the Company, the Company assumed the position of borrower under the Metrovacesa Loan Agreement. On December 14, 2017, the Metrovacesa Loan Agreement was totally repaid with proceeds from the Syndicated Facilities Agreement.

Coto Loan Agreement

On September 29, 2015, Coto entered into a loan agreement with ING Bank N.V. Sucursal en España (as bookrunner, mandated lead arranger and lender) and ING Bank N.V. London Branch (as agent) for a principal amount of €125 million (the “**Coto Loan Agreement**”) which proceeds were to be used for general corporate purposes. Additionally, Coto entered into interest rate hedging agreements in accordance with the terms of the Coto Loan Agreement (the “**Coto Hedging Agreements**”).

At the time of execution of the Coto Loan Agreement, Acciona owned 97.5% of Coto’s share capital. In September 2017, Acciona contributed its stake in Coto by means of an in-kind contribution to the Company. On December 19, 2017, the Coto Loan Agreement was totally repaid with proceeds from the Syndicated Facilities Agreement.

ING Loan Agreement

On October 30, 2017, the Company (as borrower) entered into a revolving facility agreement with ING Bank N.V. Sucursal en España (as lender) for a principal amount of €75 million for the purposes of financing the acquisition of new residential real estate assets (the “**ING Loan Agreement**”). The Company also granted a mortgage over certain assets (the “**ING Mortgage Promise**”) in order to secure its obligations under the ING Loan Agreement.

On December 19, 2017, the ING Loan Agreement and the ING Mortgage Promise were cancelled. No amounts were ever drawn under the ING Loan Agreement.

Mortgage loan agreements

As of the date of this Informational Document, we are party to the following mortgage loan agreements (collectively, the “**Mortgage Loan Agreements**”):

Lender	Date	Maturity	Principal amount (in million €)	Interest	Security Interest
ING Bank N.V., Sucursal en España	December 4, 2009	July 20, 2022	63.2	EURIBOR + 1.50%	(1) First-, second- and third-ranking mortgages over certain real estate assets (2) First- and second-ranking pledges over credit rights under certain agreements (3) First- and second-ranking pledges over bank accounts
Banco Santander, S.A.	December 2, 2013	December 2, 2023	21.0	EURIBOR + 2.0%	(4) Mortgages over certain real estate assets (5) Pledge over credit rights under certain agreements
Kutxabank, S.A.	December 30, 2014	December 30, 2044	8.3	EURIBOR + 1.25%	(6) Second-ranking mortgage over certain real estate assets (7) Pledge over credit rights under certain agreements
Kutxabank, S.A.	December 30, 2014	December 30, 2044	18.7	EURIBOR + 1.25%	(8) Mortgages over certain real estate assets (9) Pledge over credit rights under certain agreements
Caixabank, S.A.	September 22, 2017	October 1, 2022	17.0	FIXED 1.75%	(10) Mortgages over certain real estate assets

Lender	Date	Maturity	Principal amount (in million €)	Interest	Security Interest
ING Bank N.V., Sucursal en España	May 18, 2018	May 18, 2025	130.0	EURIBOR + 1.00%	(11) First-ranking mortgage over certain real estate assets (12) Pledge over credit rights under certain agreements
CaixaBank, S.A.	May 24, 2018	May 24, 2025	99.4	EURIBOR + 1.00%	(13) First-ranking mortgage over certain real estate assets (14) Pledge over credit rights under certain agreements

Below is a summary of the main terms and conditions of the Mortgage Loan Agreements, taken as a whole. The terms and conditions described below may not apply to each and all of the Mortgage Loan Agreements.

(i) *Undertakings:*

- (a) Financial covenants: The Company is subject to covenants related to compliance with certain financial ratios (including loan-to-value and debt-service-coverage ratios) and grossing up payments in the event that the lenders have to assume certain additional costs. As of the date of the Informational Document, the Company complies with these financial ratios in all material respects.
- (b) Other covenants: The Company is subject to certain non-financial and reporting undertakings vis-à-vis the lenders.

(ii) *Early termination*: The Mortgage Loan Agreements provide for various early termination events, including: (i) default, (ii) breach of certain undertakings, (iii) breach of representations and warranties of the Company, (iv) failure to register security interests as appropriate, and (v) change of control. The Listing will not trigger any material change of control termination event.

(iii) *Repayment*: The Mortgage Loan Agreements provide for various repayment events, including change of control and the sale of certain Company assets.

Working Capital

The Board of Director believes that, after carrying out the relevant analysis with due diligence, the Company has sufficient working capital to carry out its business during the 12 months following the date of date of admission to listing.

Cash Flow Analysis

The following table sets forth our consolidated cash flow information for the periods indicated.

	For the three months ended		For the year ended	For the three months ended
	March 31, 2018	March 31, 2017	December 31, 2017	December 31, 2016
	(unaudited)	(unaudited)		(unaudited)
	(in thousands of euros)			
Cash flows from operating activities	(11,858)	6,492	56,070	(538)
Profit/(loss) for the period before tax	(104,134)	661	70,482	25,022
Adjustments to profit/(loss)	117,638	1,869	(46,315)	(20,720)
Depreciation of fixed assets	807	682	3,145	810
Change in fair value of investment property	-	-	(65,209)	(23,953)
Impairment	11	-	300	65
Changes in provisions for liabilities and charges	-	-	1,019	1,170
Gains/(losses) on derecognition and disposal of non-current assets	-	(233)	(286)	(163)
Financial revenue	(232)	-	(165)	(1)
Financial expenses	2,310	1,506	11,338	1,141
Change in fair value of financial instruments	756	(86)	5,542	-
Other income and expenses	113,986	-	(1,999)	211
Changes in working capital	(5,727)	5,238	3,930	(4,458)
Trade and other receivables	(1,269)	(194)	(918)	(46)
Trade and other payables	(2,937)	(94)	(3,069)	(4,766)
Other assets and liabilities	(1,521)	5,526	7,917	354
Other cash flows from/(used in) operating activities	(19,635)	(1,276)	27,973	(382)
Interest paid	(2,344)	(1,236)	(11,784)	(1,141)
Interest received	232	-	165	1
Income tax payments	-	(40)	(114)	(133)
Other receipts/(payments)	(17,523)	-	39,706	891
Cash flows from investing activities	(1,000)	3,056	(49,121)	4,687
Payments for investments	(1,909)	(1,854)	(53,492)	-
Investment properties	(1,151)	(1,379)	(53,960)	-
Property, plant and equipment	(184)	(83)	(99)	-
Intangible assets	(178)	(392)	(148)	-
Financial assets	(396)	-	715	-
Proceeds from divestments	909	4,910	-	-
Investment properties	-	4,315	4,371	4,687
Financial assets	909	595	4,371	4,687
Cash flows from financing activities	(310)	(7,702)	35,408	(463)
Proceeds from and payments for equity instruments	-	-	(2,115)	-
Payment of capital increases	-	-	(2,115)	-
Proceeds from and payments for financial liability instruments	(310)	(7,702)	37,493	(463)
Proceeds from issue of bank borrowings	-	-	377,000	-
Refund on bank borrowings	(310)	(7,674)	(339,102)	(463)
Repayment of other debts	-	(28)	(405)	-
Capital increases	-	-	30	-
Net increase/(decrease) in cash and cash equivalents	(13,168)	1,846	42,357	3,686
Cash and cash equivalents at start of period	71,158	28,801	28,801	25,115
Cash and cash equivalents at end of period	57,990	30,647	71,158	28,801

Operating activities

Total net cash used in operating activities was €11,858 thousand for the three months ended March 31, 2018 and total net cash from operating activities was €6,492 thousand for the three months ended March 31, 2017. The variation was mainly attributable to the cash outflow of the VAT-related payment under the Merlin Services Agreement in the three months ended March 31, 2018 (see “*Related Party Transactions—Transactions with Merlin Properties—Merlin Services Agreement*”).

Total net cash from operating activities was €56,070 thousand for the year ended December 31, 2017 and total net cash used in operating activities was €538 thousand for the year ended December 31, 2016. The variation was mainly attributable to the cash and cash equivalents received as a result of the contribution made by Acciona to Testa’s portfolio (€39.7 million) in the year ended December 31, 2017.

Investing activities

Total net cash used in investing activities was €1,000 thousand for the three months ended March 31, 2018 and total net cash from investing activities was €3,056 thousand for the three months ended March 31, 2017, the variation was mainly attributable to repairs and modernization of our properties and the overall improvement of the quality of our properties in the three months ended March 31, 2018.

Total net cash used in investing activities was €49,121 thousand for the year ended December 31, 2017 and total net cash from investing activities was €4,687 thousand for the year ended December 31, 2016, the variation was mainly attributable to the acquisition of investment properties (€53.4 million) and acquisition costs in the year ended December 31, 2017.

Financing activities

Total net cash used in financing activities was €310 thousand for the three months ended March 31, 2018 and total net cash used in financing activities was €7,702 thousand for the three months ended March 31, 2017. The variation was mainly attributable to our refinancing process (see “—*Borrowings and Other Financing Arrangements*”).

Total net cash from financing activities was €5,408 thousand for the year ended December 31, 2017 and total net cash used in financing activities was €463 thousand for the year ended December 31, 2016. The variation was mainly attributable to our refinancing process (see “—*Borrowings and Other Financing Arrangements*”).

Capital Expenditures

The costs and time of implementation of maintenance, repair and modernization measures depend heavily on the size of our portfolio, quality and location of the affected properties, the tenants’ quality expectations, and the scope of the measures to be carried out. For additional information, see “—*Factors Affecting Our Financial Condition and Results of Operations—Investment in our portfolio*”. Approximately 84% of our apartments are under 20 years old, which significantly reduces obsolescence risk and the level of maintenance expenses and capex. Given the quality and average year of construction of our properties, we expect to have limited and stable maintenance and modernization capex requirements in the coming years based on our current business plan and portfolio. Our capital expenditures were €1,128 thousand and €1,379 thousand for the three months ended March 31, 2018 and 2017, respectively (€3,339 thousand for the year ended December 31, 2017).

Our capital expenditures for future periods could change as we acquire additional properties. As of the date of this Informational Document, we have a sizeable investment pipeline exclusively based on multi-family residential properties with an estimated aggregate GAV of approximately €39 million (representing approximately 2,959 apartments). See “*Business—Business Operations—Portfolio Management—Pipeline*” for further details. This pipeline is not included in our capital expenditures plan. Potential funding sources for new investments are financing from credit institutions, capital markets, internally generated cash flow arising from the rental of our properties or, to a limited extent, the sale of certain of our properties. Furthermore, as of the date of this Informational Document, we have significant cash resources of c.€58 million and undrawn committed credit facilities totaling approximately €100 million that could be used in the financing of said acquisitions.

Contractual Obligations

Our principal contractual commitments to make payments in future periods derive from our financial liabilities to banks and other non-current liabilities. In addition, we may be required to make payments in future periods in respect of deferred taxes.

Details of our loan repayment dates as of March 31, 2018, are as follows. This table does not include the aforementioned mortgage loans entered into to finance the acquisition of the BuildingCenter Portfolio.

Thousands of euros	2018	2019	2020	2021	2022	More than 5 years	Total
Mortgage Loan Agreements	1,928	2,238	2,238	2,238	80,738	35,773	125,153
Syndicated Facilities Agreement	-	-	-	-	350,000	-	350,000
Total	1,928	2,238	2,238	2,238	430,738	35,773	475,153

As of March 31, 2018, other financial liabilities included a €355,565 thousand non-current liability recorded under “Other non-current liabilities” in connection with the Shareholders’ Agreement (see “*Significant Shareholders —Shareholders’ Agreement*”). Pursuant to such agreement, if we were to fail to conduct an initial public offering of our ordinary shares and have them quoted on the AQS of the Spanish Stock Exchanges by September 21, 2022, Acciona would be entitled to require the redemption of the ordinary shares of our Company that it subscribed for in September 2017. Under prevailing accounting rules and standards, we recognized a non-current liability arising from our commitment to redeem such shares. Upon completion of the an initial public offering of our ordinary shares, the non-current liability referred to above will automatically become equity. For additional information, see Note 8 to the Unaudited Interim Condensed Consolidated Financial Statements and Notes 3 and 15 to our 2017 Consolidated Financial Statements.

Off-balance Sheet Arrangements

As of March 31, 2018 and December 31, 2017, the Group had provided guarantees to third parties for an amount of €280 thousand and €280 thousand, respectively (€265 thousand as of December 31, 2016). As of the date of this Informational Document, there were no other significant off-balance sheet arrangements.

Risk Exposure and Management

Our activities expose us to a number of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. Our overall risk management program focuses on the uncertainty of financial markets and aims to minimize the potential adverse effects of market risks on our financial profitability.

Risk management is undertaken by our senior management pursuant to the policies approved by our Board of Directors. Our senior management identifies, evaluates and mitigates financial risks in close collaboration with the Group’s operating units. The Board of Directors issues the written global risk management policies and the policies for specific areas, such as those for covering market risk, interest rate risk and liquidity risk, and for investing cash surpluses.

For information on our financial risk management, see Note 12 to the Unaudited Interim Condensed Consolidated Financial Statements and Note 24 to the 2017 Consolidated Financial Statements.

Key Performance Measures not defined by IFRS-EU

The financial data included in this Informational Document, in addition to the conventional financial performance measures established by IFRS-EU, contains certain additional performance measures not defined by IFRS-EU (“**Key Performance Measures**”) that are presented for purposes of providing investors with a better understanding of Testa’s financial performance, cash flows or financial position as they are used by Testa when managing its business. Some of these Key Performance Measures constitute APMs and their inclusion in the Informational Document complies with the “European Securities and Markets Authority Guidelines on Alternative Performance Measures” dated October 5, 2015. Key Performance Measures should not be considered as a substitute for those required by IFRS.

In addition, certain Key Performance Measures in this Informational Document are presented on an annualized or ‘like-for-like’ basis. Unless otherwise indicated: (i) annualized figures have been calculated using the corresponding figure as of the indicated date multiplied by 12; and (ii) like-for-like figures have been calculated assuming a constant asset perimeter throughout the period in respect of which growth or evolution is being calculated, specifically considering the asset perimeter at the beginning of such period and excluding any asset

contributions, acquisitions or dispositions after such date. Annualized figures are used as measures of our financial performance because we consider them to be more representative than the actual figures for historical periods due to the changes in the size and composition of the assets in our portfolio that have taken place during 2017 and which are explained in detail in “—Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Changes in the size and composition of the properties in our portfolio” above. Like-for-like numbers are shown over these periods because they are helpful in analyzing the performance of Testa’s assets over the course of the economic and real estate cycle while excluding any potential impact in said actual performance derived from changes in the Company’s asset perimeter during the analyzed period. Key Performance Measures are not measurements of Testa’s financial performance under IFRS-EU or U.S. GAAP and should not be considered as alternatives to the information in Testa’s audited consolidated financial statements for any financial period or to any performance measures prepared in accordance with IFRS-EU or U.S. GAAP. In particular, like-for-like information excludes other significant assets in Testa’s portfolio which do not meet such presentation criteria, and results of such excluded assets may be material to Testa’s historical results as of such dates or for such periods. Further, these figures, as defined and calculated may not be comparable to other similarly-titled figures used by other companies. These Key Performance Measures should not be considered in isolation. Investors are advised to review these figures in conjunction with the corresponding historical figures of Testa.

These Key Performance Measures are customarily reported by our peers in the real estate sector, including annualized and like-for-like comparison of results, permitting them to explain the performance of the ‘existing business’ and facilitating the comparability of the financial information. The most significant Key Performance Measures that we use are as follows:

Key Performance Measures⁽¹⁾

	As of and for the three-month period ended March 31, 2018	As of and for the year ended December 31, 2017
GLA ⁽²⁾ (sqm)	881,687	881,687
Residential GLA ⁽³⁾ (sqm)	837,739	837,739
Rented residential GLA ⁽⁴⁾ (sqm)	762,071	750,139
Apartments (at period end) (in units)	9,244	9,244
Vacancy rate at period end ⁽⁵⁾ (apartments) (in % of sqm)	9.0	10.5
Financial vacancy rate at period end ⁽⁶⁾ (apartments)	9.0	10.2
Like-for-like residential vacancy rate evolution (apartments) (last 6 months) ⁽⁷⁾ (%)	(2.3)	(1.3)
Unencumbered ratio ⁽⁸⁾ (%)	527.9	527.9

- (1) Includes Key Performance Measures that are not included within the scope of the “European Securities and Markets Authority Guidelines on Alternative Performance Measures” dated October 5, 2015.
- (2) GLA means the total aggregate gross leasable area of our residential and our commercial properties. It includes our Bentaberri concession and our office building (Telémaco).
- (3) Residential GLA means the gross leasable area of our apartments that corresponds to the aggregate constructed surface (*superficie construida*) of our apartments as reported in the Spanish Cadastral Registry or the Spanish Property Registry (*Registro de la Propiedad*) that includes the floor area of apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (4) Rented residential GLA is the residential GLA that, for the period presented, has been rented to a tenant pursuant to the corresponding lease agreement.
- (5) Non-rented residential GLA divided by residential, in each case including the floor area of rented apartments and their respective quota of halls, stairs and hallways but no other common areas.
- (6) Defined as in-place rent multiplied by vacant GLA divided by in-place rent multiplied by GLA.
- (7) Refers to evolution of vacancy rate refers to growth of the vacancy rate (as defined herein) in the six months ended March 31, 2018 and December 31, 2017, respectively, assuming a constant asset perimeter between the beginning and the end of said periods (in particular, considering the asset perimeter at respectively September 30, 2017 and June 30, 2017 and excluding any asset contributions, acquisitions or dispositions after such dates).
- (8) Defined as the ratio of Unencumbered Total Assets over Unsecured Debt. Unencumbered Total Assets means the value of the real estate assets owned by us in accordance with the most recent asset valuation prepared by an independent appraiser, which are not subject to any security right. Unsecured Debt means our financial indebtedness that is not secured by any of our assets.

Alternative Performance Measures.

	As of and for the three-month period ended March 31, 2018	As of and for the year ended December 31, 2017
Operating performance measures		
Passing gross rents (€) ⁽¹⁾	6,231,835	6,030,569
Passing gross residential rents (€) ⁽¹⁾	5,811,784	5,625,569
Gross Rental Income (GRI) (€thousands) ⁽²⁾	74,782	72,367
In-place residential rent at period end ⁽³⁾ (€/sqm/month)	7.6	7.5
Like-for-like residential rental growth (last 6 months) (%) ⁽⁴⁾	3.8	4.5
Like-for-like residential rental growth (last 3 months) (%) ⁽⁵⁾	1.7	2.1
Net Rental Income (€thousand) ⁽⁶⁾	13,941	38,764
Net Rental Income Margin (%)..... ⁽⁷⁾	77.9	73.9
Adjusted rental EBITDA (€thousand) ⁽⁸⁾	11,885	33,819
Adjusted rental EBITDA margin (%) ⁽⁹⁾	66.4	64.5
FFO1 (€thousand) ⁽¹⁰⁾	9,773	22,086
AFFO (€thousand) ⁽¹¹⁾	8,645	18,747
Financing and financing position		
Net Financial Debt (at period end) (€million) ⁽¹²⁾	414,792	402,046
LTV (at period end) (%) ⁽¹³⁾	18.2	17.7
Portfolio measures		
Total portfolio value (at period end) (GAV) (€ thousand) ⁽¹⁴⁾	2,275,521	2,275,521
Maintenance capex (€/sqm/period) ⁽¹⁵⁾	1.3	4.0
Maintenance capex (€thousand) (end of period) ⁽¹⁵⁾	1,128	3,339
Other balance sheet measures		
EPRA NAV (€thousand) ⁽¹⁶⁾	1,483,650	1,388,540
EPRA NNAV (€thousand) ⁽¹⁶⁾	1,388,679	1,402,115
Adjusted EPRA NAV (€thousand) ⁽¹⁶⁾	1,839,544	1,833,828
Adjusted EPRA NNAV (€thousand) ⁽¹⁶⁾	1,744,573	1,738,840
Certain per share information		
FFO1 per share (€) ⁽¹⁷⁾	0.07	0.17
AFFO per share (€) ⁽¹⁸⁾	0.07	0.14
Adjusted EPRA NAV per share (€) ⁽¹⁹⁾	13.91	13.86

(1) **Passing gross rents** means the passing monthly rent, under the Company's lease agreements in force and receivable as at the end of the relevant month.

Passing gross residential rents means the passing residential monthly rent under the Company's lease agreements in force and receivable as at the end of the relevant month.

We consider passing gross rents to be a useful and relevant performance measure because it represents the actual rent the Company is owed pursuant to its in-force lease agreements and receivable as at the end of the relevant month.

To calculate passing gross rents we use the concept of passing monthly rents, that is, the rents payable to the Company at a particular point of time as stated in our lease agreements in force at said point in time. We understand this to be a key concept in the industry we operate in as it gives the market a better sense of our financial performance and cash flows than our historical results to date due to not only the changes in our portfolio but to the variation in the number of tenants and on the time in which the rent contracts with each tenant are signed within any given period in time.

(2) **Gross Rental Income ("GRI")** means passing monthly gross rents multiplied by 12, without any further adjustment. For the periods presented GRI is the passing monthly gross rents as of March 31, 2018, which amounted to €6,231,835, multiplied by 12 and the passing monthly gross rents as of December 31, 2017, which amounted to €6,030,569 multiplied by 12.

We consider GRI to be a useful and relevant performance measure because it represents the actual rent the Company is owed pursuant to its in-force lease agreements and receivable as at the end of period date scaled to a period of one year allowing us to measure the profitability of our current portfolio on an annualized basis which we consider more representative due to the changes in the size and composition of the assets in our portfolio

during 2017 (see “—Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Changes in the size and composition of the properties in our portfolio” above).

(3) **In-place residential rent at period end (€/sqm/month)** means passing gross residential rents divided by rented residential GLA at the end of the period date.

(4) **Like-for-like residential rental growth (last 6 months) (%)** means the evolution of in-place rent at period end (€/sqm/month) assuming a constant asset perimeter between the beginning of the six-month period presented and the end of said period. The following table shows the calculation of like-for-like rental growth (last 6 months) (%) for the periods presented:

	At March 31, 2018	At December 31, 2017
	(in €/sqm/month)	
(A) In-place residential rent end of period ⁽¹⁾	7.6	7.1
(B) In-place residential rent beginning of six month period ⁽²⁾	7.4	6.8
Like-for-like rental growth (last 6 months) (%) ((A-B)/(B))	3.8	4.4
(1)	Excludes assets acquired by the Company during the six-month period analyzed.	
(2)	Excludes assets sold by the Company during the six-month period analyzed.	

(5) **Like-for-like residential rental growth (last 3 months) (%)** means the evolution of in-place rent at period end (€/sqm/month) assuming a constant asset perimeter between the beginning of the three-month period presented and the end of said period. The following table shows the calculation of like-for-like rental growth (last 3 months) (%) for the periods presented:

	At March 31, 2018	At December 31, 2017
	(in €/sqm/month)	
(A) In-place rent end of period ⁽¹⁾	7.6	7.5
(B) In-place rent beginning of three-month period ⁽²⁾	7.5	7.4
Like-for-like rental growth (last 3 months) (%) ((A-B)/(B))	1.7	2.0
(1)	Excludes assets acquired by the Company during the three-month period analyzed.	
(2)	Excludes assets sold by the Company during the three-month period analyzed.	

We consider like-for-like rental growth (both for last 6 months and last 3 months) to be a useful and relevant performance measure because it provides information on the performance of Testa’s assets over the course of the economic and real estate cycle while excluding any potential impact in said performance derived from changes in the Company’s asset perimeter during the analyzed period which is especially relevant taking into consideration the changes in the size and composition of the assets in our portfolio during 2017 (see “—Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Changes in the size and composition of the properties in our portfolio” above).

(6) **Net Rental Income (“NRI”) (€m)** means rent revenues minus non-recoverable expenses of the leased properties as reported in our Consolidated Financial Statements. The following table shows the reconciliation of Net Rental Income to our Consolidated Financial Statements:

	For the three-month period ended March 31, 2018	For the year ended December 31, 2017
	(in thousands of euros)	
Rent revenues	17,898	52,439
(-)Non-recoverable expenses of the leased properties	(3,957)	(13,675)
Net Rental Income	13,941	38,764

We consider NRI to be a useful and relevant business performance measure because it provides information on the rental income generated by the assets within our portfolio once the operating costs associated to said assets are subtracted.

(7) **NRI Margin (%)** means NRI for the periods presented divided by rent revenues as extracted from our Consolidated Financial Statements for such periods. The following table shows the calculation of NRI Margin for the periods presented:

	At March 31 2018	At December 31, 2017
	(in thousands of euros)	
NRI	13,941	38,764
(/) Rent revenues.....	17,898	52,439
NRI Margin (%)	77.9	73.9

Similarly to NRI, we consider the NRI margin to be a useful and relevant business performance measure because it provides information on the net margin generated by the assets for a period which we consider more representative due to the changes in the size and composition of the assets in our portfolio during 2017 (see “—*Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Changes in the size and composition of the properties in our portfolio*”).

(8) **EBITDA** means NRI minus personnel expenses minus overhead costs (i.e., other operating expenses excluding non-recoverable expenses on leased properties, as presented and reported in our Consolidated Financial Statements).

Adjusted Rental EBITDA means EBITDA plus any extraordinary or one-off expenses incurred during the period.

The following table shows the calculation of EBITDA and adjusted rental EBITDA based on the corresponding line items of our Consolidated Financial Statements for the periods set forth below:

	For the three-month period ended March 31, 2018	For the year ended December 31, 2017
	(in thousands of euros)	
Net Rental Income	13,941	38,764
(-) Personnel expenses	(1,341)	(3,214)
(-) Overhead costs.....	(113,114)	(11,048)
EBITDA	(100,514)	24,502
(+) Merlin management fee (incl. VAT).....	305	9,317
(+) Cancellation expenses of Merlin Services Agreement	107,244	-
(+) IPO/listing preparation costs	4,850	-
Adjusted rental EBITDA	11,885	33,819

We consider EBITDA to be a useful and relevant performance measure because it provides information for analyzing profitability (before interest, tax, depreciation and amortization) by approximating the operating flows that generate cash. It is also a measure that is widely used by investors when valuing companies, and by rating agencies and creditors to measure the level of financial indebtedness. We consider Adjusted rental EBITDA to be a useful and relevant performance measure because it excludes the impact of extraordinary or one-off expenses incurred during the period.

(9) **Adjusted rental EBITDA margin (%)** means Adjusted rental EBITDA for the periods presented divided by rent revenues for the periods presented and as reported in our Consolidated Financial Statements. The following table shows the calculation of Adjusted rental EBITDA margin for the periods presented:

	At March 31 2018	At December 31, 2017
	(in thousands of euros)	
Adjusted rental EBITDA	11,885	33,819
(/) Rent revenues.....	17,898	52,439
Adjusted rental EBITDA margin (%)	66.4	64.5

Similarly Adjusted rental EBITDA, we consider Adjusted rental EBITDA margin to be a useful and relevant performance measure because it provides information on the EBITDA margin generated by the assets, as adjusted to exclude the impact of extraordinary or one-off expenses incurred during the period).

(10) **FFO1 (€m)** means Adjusted rental EBITDA plus interests received minus interest paid and income tax payments for the periods presented and as reported in the consolidated cash flow statement in our Consolidated Financial Statements.

The following table shows the calculation of FFO1 based on our Consolidated Financial Statements for the periods set forth below:

	For the three-month period ended March 31, 2018	For the year ended December 31, 2017
	(in thousands of euros)	
Adjusted rental EBITDA	11,885	33,819
(+) Interest received	232	165
(-) Interest paid	(2,344)	(11,784)
(-) Income tax payments	-	(114)
FFO1	9,773	22,086

We consider FFO1 to be a useful and relevant measure of operating cash flows and an indicator of liquidity for real estate companies that adjusts the Adjusted rental EBITDA for the respective period to reflect net cash interest payments and current income taxes.

(11) **AFFO (€m)** means FFO1 minus Maintenance capex (as defined below). The following table shows the calculation of AFFO based on the corresponding line items of our Consolidated Financial Statements for the periods set forth below:

	For the three-month period ended March 31, 2018	For the year ended December 31, 2017
	(in thousands of euros)	
FFO1	9,773	22,086
(-) Maintenance capex	(1,128)	(3,339)
AFFO	8,645	18,747

We consider AFFO to be a useful and relevant measure of operating cash flows and an indicator of liquidity for real estate companies that adjusts the Adjusted rental EBITDA for the respective period to reflect net cash interest payments and current income taxes and maintenance capex (as defined below).

(12) **Net Financial Debt (at period end) (€m)** means non-current bank borrowings plus current bank borrowings less ancillary costs, plus interest on debt, plus financial derivatives, less cash and cash equivalents and other current financial assets as reported in the balance sheet of our Consolidated Financial Statements. The following table shows the calculation of Net Financial Debt based on the corresponding line items of our Consolidated Financial Statements for the periods set forth below:

	At March 31, 2018	At December 31, 2017
	(in thousands of euros)	
(+) Non-current bank borrowings	472,915	473,224
(+) Current bank borrowings	2,238	2,238
(-) Ancillary costs	(2,848)	(2,679)
(+) Interest on debt	375	301
(+) Financial derivatives	102	120
(-) Cash and cash equivalents and other current financial assets	(57,990)	(71,158)
Net Financial Debt	414,792	402,046

We consider Net Financial Debt to be a useful and relevant indebtedness measure because it is a financial indicator that measures our net debt position. It is also an indicator that is widely used by investors when valuing the net financial leverage of companies, and by rating agencies and creditors to assess our creditworthiness.

(13) **Loan to Value ("LTV") (at period end) (%)** means Net financial debt (as defined and reconciled above) divided by our GAV. The following table shows the calculation of LTV based on the corresponding line items of our Consolidated Financial Statements for the periods set forth below:

	At March 31, 2018	At December 31, 2017
	(in thousands of euros)	
Net Financial Debt.....	414,792	402,046
(/) GAV (as of December 31, 2017)	2,275,521	2,275,521
LTV (%)	18.2	17.7

We consider LTV to be a useful and relevant leverage measure because it is an indicator that measures the company's indebtedness position. It is widely used by investors to assess the financial leverage of real estate companies, as well as by rating agencies and banks to assess the level of indebtedness.

(14) **Total portfolio value (at period end) (GAV) (€m)** is the GAV of the assets in our portfolio at the given date.

(15) **Maintenance capex (€/sqm/period)** means the amount invested in investment property to improve the assets excluding investments in recently acquired properties, and investments which significantly improve the return of our assets, as well as related acquisition costs which amounted, for the year ended December 31, 2017 and the three-month period ended March 31, 2018 to €3,339 thousand and €1,128 thousand, respectively, divided by the average total GLA for such periods, respectively.

Maintenance capex means the amount invested in investment property to improve these assets excluding investments in recently acquired properties, and investments which significantly improve the return of our assets, as well as related acquisition costs that amounted to €3,339 thousand and €1,128 thousand, respectively.

We believe maintenance capex is a useful performance measure because it is an indicator that measures our necessary investments in maintaining our fixed assets both as a stand-alone figure and in relation to the total average square meters of rented assets of the Company.

The above definitions of Maintenance capex (€/sqm/period) and Maintenance capex have been adjusted with respect to those used in the management reports corresponding to the year ended December 31, 2017 and the three-month period ended March 31, 2018. The adjustment consists in excluding investments in recently acquired properties and investments which significantly improve the return of our assets. However, during 2017 and the first quarter of 2018, we have not made any investments of that kind, so the adjustment does not entail any variations in the amounts of Maintenance capex (€/sqm/period) and Maintenance capex for these two periods.

We intend to use these new definitions in our financial statements going forward, as from interim financial statements for the first half of 2018. We believe that the referred adjustment is necessary in order for our alternative performance measures to be consistent over time. The reason is that AFFO must be a recurring measure and, given its calculation as FFO1 minus Maintenance capex, so must be the Maintenance capex. For the Maintenance capex to be recurring, investments in recently acquired properties, and investments which significantly improve the return of our assets must be excluded. It is likely that we carry out investments of that type in the future, and therefore we believe it necessary to adjust the Maintenance capex definition as from now.

(16) **EPRA NAV (€m)** means total equity attributable to owners of the Company ("NAV") plus Revaluation of trading properties (difference between trading properties carried in the balance sheet at cost and the fair value of such trading properties) plus fair value of derivative financial instruments (net of derivative assets and liabilities stated in the balance sheet) plus deferred tax liabilities minus deferred tax assets. This measure is calculated as per the European Public Real Estate Association's ("EPRA") recommendations.

EPRA NNAV (€m) means EPRA NAV minus deferred tax (assets/liabilities) and minus the fair value of derivative financial instruments. This measure is calculated as per the EPRA recommendations.

Adjusted EPRA NAV means EPRA NAV (€m) plus the increase in total equity attributable to owners of the Company after: (i) the capitalization of Merlin's management fee pursuant to the Merlin Services Agreement; and (ii) the conversion into equity of the non-current liability recorded in connection with Acciona's right to seek the redemption of the shares subscribed by it under the Acciona Investment Agreement (see "*Related Party Transactions—Transactions with the Significant Shareholders—Acciona Investment Agreement*" and "*Significant Shareholders—Shareholders' agreement*").

Adjusted EPRA NNNAV means EPRA NNNAV minus the capitalization of Merlin's management fee pursuant to the Merlin Services Agreement plus the conversion into equity of the non-current liability recorded in connection with Acciona's right to seek the redemption of the shares subscribed by it under the Acciona Investment Agreement.

The following tables show the calculation of EPRA NAV and Adjusted EPRA NAV and EPRA NNNAV and Adjusted EPRA NNNAV for the periods set forth below:

	At March 31, 2018	At December 31, 2017
	(in thousands of euros)	
Total equity attributable to owners of the Company	1,379,049	1,393,752
(+) Revaluation of trading properties.....	9,629	8,361
(+) Fair value of derivative financial instruments	102	120
(+) Deferred tax liabilities	105,953	105,953
(-) Deferred taxes assets.....	(11,084)	(11,083)
EPRA NAV	1,483,650	1,497,103
(-) Merlin Services Agreement.....	-	(18,840)
(+) Acciona liability equity conversion.....	355,894	355,565
Adjusted EPRA NAV	1,839,544	1,833,828

	At March 31, 2018	At December 31, 2017
	(in thousands of euros)	
EPRA NAV	1,483,650	1,497,103
(-) Deferred Tax (assets/liabilities).....	(94,869)	(94,868)
(-) Fair value of derivative financial instruments .	(102)	(120)
EPRA NNNAV	1,388,679	1,402,115
(-) Merlin Services Agreement.....	-	(18,840)
(+) Acciona liability equity conversion.....	355,894	355,565
Adjusted EPRA NNNAV	1,744,573	1,738,840

EPRA NAV is a sector-recognized benchmark, which makes adjustments to reported NAV to provide a measure of the fair value of net assets on a long-term basis. Assets and liabilities which are not expected to crystallize in normal circumstances are excluded. We consider EPRA NAV to be a useful and relevant performance measure as it provides a measure of net asset value that includes fair value adjustments of all material balance sheet items that are not reported at their fair value, as per the EPRA's recommendations.

EPRA NNNAV is a sector-recognized benchmark, which reverses EPRA NAV adjustments for fair value of financial instruments and deferred tax liabilities, and additionally adjusts for fair value of liabilities to financial institutions. We consider EPRA NNNAV to be a useful and relevant performance measure as it provides a measure of net asset value that includes fair value adjustments of liabilities to financial institutions, as per the EPRA's recommendations.

Additionally, we consider Adjusted EPRA NAV and Adjusted EPRA NNNAV to be useful and relevant performance measures because they adjust the aforementioned measures to the capitalization of Merlin's management fee pursuant to the Merlin Services Agreement and the conversion into equity of the non-current liability recorded in connection with Acciona's right to seek the redemption of the shares subscribed by it under the Acciona Investment Agreement upon the execution of an initial public offering of our Shares (see "*Related party transactions*").

(17) **FFO1 per share** means FFO1 divided by the number of shares of the Company outstanding as of March 31, 2018. The following table shows the calculation of FFO1 per share for the periods presented:

	At March 31, 2018	At December 31, 2017
	(in thousands of euros)	
FFO1	9,773	22,086
(/) Ordinary shares outstanding as of March 31, 2018 ⁽¹⁾	132,270,202	132,270,202
FFO1 per share	0.07	0.17

(1) These are the same as the historical numbers and are not proforma numbers.

We consider FFO1 per share to be a useful and relevant measure of operating profitability and an indicator of liquidity for real estate companies that adjusts the EBITDA for the respective period to reflect net cash interest payments and current income taxes in relation to the outstanding shares of the Company.

(18) **AFFO per share** means AFFO divided by the number of shares of the Company outstanding as of March 31, 2018. The following table shows the calculation of AFFO per share for the periods presented:

	At March 31, 2018	At December 31, 2017
	(in thousands of euros)	
AFFO	8,645	18,747
(/) Ordinary shares outstanding as of March 31, 2018 ⁽¹⁾	132,270,202	132,270,202
AFFO per share	0.07	0.14

(1) These are the same as the historical numbers and are not proforma numbers.

We consider AFFO to be a useful and relevant measure of operating cash flows and an indicator of liquidity for real estate companies that adjusts the Adjusted rental EBITDA for the respective period to reflect net cash interest payments and current income taxes and maintenance capex (as defined below) in relation to the outstanding shares of the Company.

(19) **Adjusted EPRA NAV per share** means Adjusted EPRA NAV divided by the pro forma number of shares of the Company outstanding as of March 31, 2018 after giving effect to the Merlin capitalization and the conversion into equity of the non-current liability recorded in connection with Acciona's right to seek the redemption of the shares subscribed by it under the Acciona Investment Agreement (see "*Related party transactions*"). The following table shows the calculation of Adjusted EPRA NAV per share for the periods presented:

	At March 31 2018	At December 31, 2017
	(in thousands of euros)	
Adjusted EPRA NAV	1,839,544	1,833,828
(/) Pro forma number of ordinary shares outstanding as of March 31, 2018 ⁽¹⁾	132,270,202	132,270,202
NAV per share	13.91	13.86

(1) These are the same as the historical numbers and are not proforma numbers.

We consider EPRA NAV to be a useful and relevant performance measure as it provides a measure of net asset value that includes fair value adjustments of all material balance sheet items that are not reported at their fair value, as per EPRA recommendations and in relation to the outstanding shares of the Company.

MANAGEMENT AND BOARD OF DIRECTORS

Spanish corporate law is mainly regulated by the restated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 (*texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*) (the “**Spanish Companies Act**”), which is the principal legislation under which we operate. In order to adapt the Company to the latest amendments to the Spanish Companies Act, to the corporate good governance requirements and to practices of MAB listed companies, our board of directors (the “**Board of Directors**”), at its meeting held on June 14, 2018, approved the Internal Code of Conduct in Securities Markets (as defined herein), which will become effective upon Listing. Similarly, on July 16, 2018 our shareholders amended our by-laws (*estatutos sociales*) and approved a new restated text thereof, effective as from such date. Likewise, on the same meeting, our shareholders acknowledged the approval of the Internal Code of Conduct in Securities Markets approved by the Board of Directors.

Board of Directors

Spanish corporate law provides that a Spanish incorporated company’s board of directors is responsible for the management, administration and representation of the company in all matters concerning its business, subject to the provisions of such company’s by-laws, except for those matters expressly reserved for the general shareholders’ meetings.

Our by-laws provide for a Board of Directors that consists of between three and 12 members. Our Board of Directors currently consists of 11 members. According to the by-laws our directors are appointed by the general shareholders’ meeting (shareholders have the right to appoint a number of directors in proportion to their shareholdings provided that vacancies exist) to serve for a maximum term of four years and may be reelected to serve for an unlimited number of terms of the same duration. If a director does not serve out his or her term, the Board of Directors may fill the vacancy by appointing a replacement director to serve until the next general shareholders’ meeting is held. Any natural or legal person may serve on our Board of Directors, except for persons specifically prohibited by applicable law or our by-laws. A director may be removed from office by the shareholders at a general shareholders’ meeting, even if such removal is not included on the agenda for that general shareholders’ meeting.

The Board of Directors is responsible for our management and establishes, among other things, our strategic, accounting, organizational and financing policies. In addition, and further to any other matters as may be provided by law or our by-laws, the following matters cannot be delegated under any circumstances by the Board of Directors: (i) supervising the effective operation of any committees it may have established or the performance of any delegated bodies or managers it may have nominated; (ii) authorizing or waiving the obligations arising from the duty of loyalty in accordance with the provisions of Article 230 of the Spanish Companies Act; (iii) drafting the individual and consolidated financial statements and the proposed allocation of profits (losses) and presenting them to the general shareholders’ meeting; (iv) drafting any type of report required from the board by law, assuming that the operation to which the report refers cannot be delegated; (v) calling the shareholders’ General Meeting and preparing the agenda and resolution proposals; (vi) implementing the policy relating to treasury stock; (vii) determining our general policies and strategies; (viii) appointing directors by cooptation (*por cooptación*) and presenting to the general shareholders’ meeting proposals on the appointment, or renewal of directors as well as on the removal of directors; (ix) resolving on directors’ remuneration, within the statutory framework and, when relevant, to the remuneration policy approved by the General Meeting; (x) nominating or removing our executive directors or establishing the conditions of their contracts; (xi) nominating or removing managers who report directly to the Board of Directors or to any of its members, as well as establishing the basic conditions of their contracts, including remuneration; (xii) its own organization and functioning; (xiii) nominating its Chairperson, Vice-Chairpersons, Secretary and Vice-Secretaries as well as those of any Board committees; (xiv) modifying and approving any Board of Directors regulations; and (xv) any powers that the General Meeting has vested to the Board of Directors, unless the Board of Directors has been explicitly authorized to sub-delegate such powers.

According to Spanish law, the Chairperson of the Board of Directors and, where appropriate, the Vice Chairperson, who acts as Chairperson in the event of the Chairperson’s absence or incapacity, shall be elected by the Board of Directors from among its members. The Secretary and, where appropriate, the Vice-Secretaries of the Board of Directors do not need to be directors, in which case they will have right to voice their views but not the right to vote decisions.

Our by-laws provide that the Chairperson of the Board of Directors may call a meeting whenever he or she considers such a meeting necessary or suitable. The Chairperson of the Board of Directors is also required to call a meeting at the request of at least two members of the Board of Directors. Additionally, if the Chairperson fails to call the meeting within a fifteen days of said request without any justifiable cause, the meeting may be convened by directors representing at least one third of the members of the Board of Directors, specifying the meeting's agenda. Our by-laws provide that at least half 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 as otherwise provided by law or specified in our by-laws, resolutions of the Board of Directors are passed by an absolute majority of the directors attending a meeting whether personally or by proxy. In case of a tie, the Chairperson will not have a casting vote. Our by-laws do not contain any special majorities for the Board of Directors to pass any resolution different from those that are established by the legislation in force as of the date of this Informational Document.

According to the Spanish Companies Act, directors may contest resolutions passed by the board of directors or by any other management body, within 30 days of their adoption. Similarly, such agreements may be contested by any shareholder or shareholders who represent 1.0 % of the share capital, within 30 days of becoming aware of said resolutions and provided not more than one year has elapsed since their adoption. The causes, processing and effects of these challenges shall be subject to the same as established for challenges to general shareholders' meeting resolutions (see "*Description of Share Capital—Shareholders' Meetings and Voting Rights*").

Directors

The table below shows the composition of our Board of Directors as of the date of this Informational Document:

Name	Age	Title	Member since	Terms Expires	Shareholder represented	Category / status
Ignacio Moreno Martínez	60	Chairman	October 20, 2016	October 20, 2022	N/A	Independent
Miguel Oñate Rino	48	Vice Chairperson	June 23, 2016	June 23, 2022	Merlin Entities	Proprietary
Wolfgang Beck	50	Chief Executive Officer	March 26, 2018	March 26, 2022	N/A	Executive
Javier Alarcó Canosa	57	Director	September 14, 2017	September 14, 2023	N/A	Independent
Antonio Hernández Mancha	67	Director	October 20, 2016	October 20, 2022	N/A	Independent
Azucena Viñuela Hernández ^(*)	52	Director	July 16, 2018	July 16, 2022	N/A	Independent
José María Xercavins Lluch	64	Director	October 20, 2016	October 20, 2022	N/A	Independent
Finanzas y Cartera Uno, S.L. ⁽¹⁾	N/A	Director	September 14, 2017	September 14, 2023	Acciona Entities	Proprietary
Altamira Santander Real Estate, S.A. ⁽²⁾	N/A	Director	October 20, 2016	October 20, 2022	Santander Entities	Proprietary
Carlos Manzano Cuesta	45	Director	March 26, 2018	March 26, 2022	Santander Entities	Proprietary
Cesáreo Rey-Baltar Oramas	54	Director	October 20, 2016	October 20, 2022	BBVA Entities	Proprietary

(*) The registration of the appointment of Ms. Viñuela in the Commercial Registry is pending as of the date hereof.

(1) Finanzas y Cartera Uno, S.L. is represented by Ms. Isabel Antúnez Cid.

(2) Altamira Santander Real Estate, S.A. is represented by Mr. Jaime Rodríguez Andrade.

The non-Director Secretary of the Board of Directors is Mr. Lucas Osorio Iturmendi and the non-director Vice-secretary of the Board of Directors is Ms. Selina Neira Bustamante.

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

Biographical information for each of the current members of our Board of Directors, including a brief description of each director's business experience and education, is presented below.

Mr. Ignacio Moreno Martínez

Mr. Ignacio Moreno Martínez is the Chairman of our Board of Directors. Currently, Mr. Ignacio Moreno is also the Chairman of Metrovacesa, S.A. and a member of the board of directors of Telefónica, S.A. Previously, Mr. Ignacio Moreno served as the Chief Executive Officer of Metrovacesa and General Director of the Presidency Department at Banco Bilbao Vizcaya, S.A. He was also Chief Executive Officer at Vista Capital Expansión, S.A., SGECR — Private Equity and at N+1 Private Equity.

He has served as Corporate Banking and Private Equity Director at Banco Santander de Negocios and Mercapital. In Coporación Bancaria de España, S.A. — Argentaria, he served as Deputy General Director of Institutional and Corporate Banking. Mr. Ignacio Moreno has also served as Chief Executive Officer of Desarrollo Urbanístico Chamartín, S.A. and as Chairman of Argentaria Bolsa, Sociedad de Valores.

Mr. Moreno holds a degree in economics and business studies from the University of Bilbao and an MBA from INSEAD.

Mr. Miguel Oñate Rino

Mr. Miguel Oñate is currently Member of the Management Team of Merlin Properties and MAGIC Real Estate and Vice Chairperson of Testa and has over 21 years' experience in the real estate sector. He has been leading the Development Departments of both companies as well as the creation of Fidere (Blackstone's platform for rental multifamily properties (2013)), and AEDAS (a real estate developer sponsored by Castlelake (2017)). In addition, from 2016 to 2018, he has served as our Chief Executive Officer.

Previously, he worked for 16 years in Grupo Marina, a real estate company where he was the Managing Director in charge of residential and tourism developments. Prior to joining Grupo Marina, he worked in Arthur Andersen ALT (Senior Tax Advisor, Utilities and Real Estate Group).

Mr. Miguel Oñate holds superior degrees in Law and in Economics & Business Administration (E-3), with a specialization in Finance, from Universidad Pontificia Comillas (ICADE).

Mr. Wolfgang Beck

Mr. Wolfgang Beck has over 10 years' experience in the real estate sector. He joined the Company in 2018. Prior to that, he served as the Executive Director and Chief Executive Officer at Conwert Immobilien Invest SE between 2015 and 2017. Between 2010 and 2015, Mr. Wolfgang Beck held different offices at Vonovia SE: from 2014 and 2015, he was the Head of Financial Management and, previously, from 2010 to 2014, he served as the Chairman of the Management Board of DA Business Management GmbH and Head of Asset Management. In parallel, he was a Member of the Executive Committee and the Chief Representative of the group. Prior to his experience at Vonovia SE, Mr. Wolfgang Beck was a Principal and member of the Management Team at Booz & Company, providing full-time support to Deutsche Annington as external consultant from 2007 to 2010, and a Manager at A.T. Kearney until 2006.

Mr. Wolfgang Beck holds a Diploma in Physics from Rheinisch-Westfälische Technische Hochschule, Aachen, Germany; a Doctorate in Physics from École Polytechnique, Palaiseau, France and Post-Doctoral studies at the Department of Physics from University of California at Berkeley, Berkeley, California, USA.

Mr. Javier Alarcó Canosa

Mr. Javier Alarcó joined the Company in 2017 as a member of our Board of Directors and Audit Committee. He is currently also a member of the board of directors of Técnicas Reunidas, S.A. and a member of the board of directors of Fomento para la Innovación y el Desarrollo Sostenible Tres, SCR, S.A. He is also the sole director of Creative Capital, S.L.U. Since 2016, he leads an activity for the support of entrepreneurship in Spain investing in start ups through the management company JME Venture Capital, SGEIC, S.A., where he serves as the Chief Executive Officer. The company manages two venture capital funds with approximately €60 million assets under management. From 2011 to 2015, Mr. Javier Alarcó advised several hedge funds in the acquisition of non-performing loans.

Previously, Mr. Javier Alarcó served as a proprietary director at Hispasat, Tubos Reunidos, Técnicas Reunidas and Hoteles Occidental, and as Chief Executive Officer at Valanza Capital Riesgo SGEIC and Elcano SCR.

Mr. Javier Alarcó also held different managing positions at Banco de Negocios Argentaria and, following the merger of the latter with BBVA, which led to the creation of BBVA, he headed BBVA's investment banking division, leading several M&A and structure finance transactions. During his office at BBVA, the bank successfully became one of the top financial institution in terms of project financing worldwide. In 2006, he took the lead at Proyectos Empresariales e Inmobiliarios, S.A., the company owning the bank's portfolio of holdings in industrial companies and real estate, leading several M&A transactions.

Mr. Javier Alarcó studied economics at CUNEF - Colegio Universitario de Estudios Financieros.

Mr. Antonio Hernández Mancha

Mr. Antonio Hernández Mancha is a member of our Board of Directors and Chairman of our Audit Committee since 2016. He is also member of the board of directors of Enagás, S.A. and the Chief Executive Officer of Apple Energy Group Iberia, S.L. Mr. Hernández Mancha was a member of the Advisory Board of Grupo Arcano from 2012 to 2017 and of Norman Broadbent from 2009 to 2011. Previously, he served as a member of the Board of Directors of Isolux Corsán, S.A., NAP de las Américas Madrid, S.A. and NAP de África Occidental e Islas Canarias, S.A. (both subsidiaries of Terremark Worldwide, Inc.), Banco de Inversión y Servicios Financieros (BISF) and held the position of Advisor to Proudfoot Consulting Group-IMR. Earlier in his career, Mr. Hernández Mancha began his political career in 1981 when he became Vice-President of Alianza Popular (currently Partido Popular) and he was then elected President of the Alianza Popular between February 1987 and January 1989.

Mr. Hernández Mancha is currently a practicing lawyer and, previously, he was a State Attorney (*Abogado del Estado*). Between 1977 and 1983, Mr. Hernández Mancha was a scholar at the Law School at University of Córdoba. Mr. Hernández Mancha holds a Law degree from Universidad Complutense de Madrid.

Ms. Azucena Viñuela Hernández

Ms. Azucena Viñuela Hernández is a member of our Board of Directors since July 2018 and has an extensive experience in auditing activities. From 1988 to 1999 she worked at Arthur Andersen and Cia. S.Com, as financial auditor and subsequently as financial audit manager. She then started working at as corporate internal audit director of group Hidroeléctrica del Cantábrico between 1999 and 2002 and as corporate internal audit and risk control director of such group until 2006. Since 2006, she serves at global corporate internal audit director at EDP Energías de Portugal and, since 2016, also as its compliance director. Ms. Viñuela was certified as auditor of accounts.

Ms. Viñuela holds an Economics Degree from the University of Oviedo and has coursed the IESE Program of Leadership Development and the INSEAD EDP Top Management Programme.

Mr. José María Xercavins Lluch

Mr. José María Xercavins serves as a member of our Board of Directors since 2016. In 2012, he was appointed as the Chief Executive Officer at Tauro Real Estate, a fund with more than 700 residential properties for rent, an office which he still holds currently. He also served as the Chief Executive Officer of two funds with, together, held more than €1,000 million in real estate assets for rent with an equity of €300,000 thousand (Grupo Metrópolis, between 1992 and 2010; and MetroInvest, between 2008 and 2012), which were sold with annualized returns above 10%. Prior to that, he was the Managing Director of Banesto in Catalonia and the Chief Executive Officer of Banc Català de Crèdit from 1988 to 1992 and the Managing Director of the Barcelona Stock Exchange from 1986 to 1988.

Mr. José María Xercavins holds a degree in Business and an MBA from ESADE, Barcelona. He also obtained a Law degree from University of Barcelona.

Ms. Isabel Antúnez Cid, as representative of Finanzas y Cartera Uno, S.L.

Ms. Isabel Antúnez was appointed as the representative of Finanzas y Cartera Uno, S.L. at our Board of Directors in September 2017. Since 2003, she has held several positions at Acciona, including General Manager of Development Real Estate, with a current portfolio under management consisting of new residential and commercial real estate developments in Spain, Mexico and Poland and plots in the process of urban

development. Prior to that, she was a Development Director for Spain and Poland and a Technical Director of Acciona for Spain. Before joining Acciona, she worked for Acciona Infrastructure in Spain.

Ms. Isabel Antúnez holds a Master in Civil Engineering from the Polytechnic University of Madrid. She also coursed the Executive Education Program on Management in Real Estate Companies from IE Business School.

Mr. Jaime Rodríguez Andrade, as representative of Altamira Santander Real Estate, S.A.

Mr. Jaime Rodríguez Andrade represents Altamira Santander Real Estate, S.A. at our Board of Directors since December 2017. Since January 2017, he is the Managing Director of Banco Santander, S.A., focused on NPAs (Non-performing assets), corporate restructurings and non-financial equity stakes. He also currently serves as a Director of Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria (Sareb), Aliseda Servicios de Gestión Inmobiliaria, S.L., Secorse and Project Quasar Investments 2017 S.L.

Prior to joining Banco Santander, Mr. Jaime Rodríguez Andrade had 20 years of international working experience with different responsibility roles at Morgan Stanley (London, Zurich & New York), Deutsche Bank (London) and McKinsey&Co (Madrid).

Mr. Jaime Rodríguez holds an MS in industrial engineering from ICAI (Universidad Pontificia Comillas) and an MBA from Columbia Business School (New York).

Mr. Carlos Manzano Cuesta

Mr. Carlos Manzano currently serves as the head of the holdings area within the Restructuring, Holdings, Property, Recovery Strategy and Disposal of Loans and Assets department of Banco Santander. He also currently serves as a member of the Board of Directors of, among others, Metrovacesa, S.A., CEVASA, Santander Capital Desarrollo SGEIC, S.A.U., Project Quasar Investments 2017 S.L., Altamira Santander Real Estate, S.A., Altamira Asset Management, S.A. and Aliseda Servicios de Gestión Inmobiliaria, S.L.

Before joining Santander in 2017, Mr. Carlos Manzano worked at Deutsche Bank as the head of Real Estate for Spain and Portugal and, before joining Deutsche Bank, he worked at BAMI, Gecina and Metrovacesa, prior to its spin-off.

Mr. Carlos Manzano holds a degree in business and economics from the Universidad de Valladolid and a MBA from ESADE (Barcelona).

Mr. Cesáreo Rey-Baltar Oramas

Mr. Cesáreo Rey-Baltar currently serves as Director of Real Estate Equity Holdings at BBVA. Mr. Rey-Baltar has also served as Director of Industrial Equity Holdings and responsible of e-Business projects at BBVA. Before joining BBVA in 1999, Mr. Rey-Baltar worked at Generale Bank (currently BNP Paribas). Mr. Rey-Baltar is currently a Director at Metrovacesa, S.A.

Mr. Cesáreo Rey-Baltar holds a degree in business and management and insurance actuary from the Universidad del País Vasco and an MBA from the Instituto de Empresa (IE).

Independent Directors

Our Board of Directors is comprised of 11 directors, five of whom are independent directors.

Board Committees

As of the date of this Informational Document, our Board of Directors has established an Audit Committee whose main task is to assist the Board of Directors in the supervision of the Company's financial information and the performance of their duty of control over the Company.

Internal Code of Conduct in Securities Markets

Internal Code of Conduct in Securities Markets

Pursuant to MAB Circular 9/2017 and in compliance with article 225.2 LMV, we have implemented a defined and transparent set of rules and regulations for corporate governance which is compliant with all applicable Spanish governance standards.

On June 14, 2018, our Board of Directors adopted the Securities Markets Code of Conduct (*Reglamento Interno de Conducta*) (the “**Internal Code of Conduct in Securities Markets**”), to be effective upon Admission. The Internal Code of Conduct in Securities Markets regulates, among other things, our directors’ and managers’ conduct with regard to the treatment, use and disclosure of the Company’s material non-public information. The Internal Code of Conduct in Securities Markets applies to, among other persons, all members of the Board of Directors, senior management and employees who have regular access to material non-public information and to any other person that we may decide on a case-by-case basis.

The Internal Code of Conduct in Securities Markets, among other things:

- (i) establishes the restrictions on, and conditions for, the purchase or sale of our securities or other financial instruments by persons subject to the Internal Code of Conduct in Securities Markets and by those who possess material non-public information; and
- (ii) provides that persons subject to the Internal Code of Conduct in Securities Markets shall not engage in market manipulation with respect to our securities or our other financial instruments.

Conflicts of Interest

Pursuant to the Spanish Companies Act, we will face a conflict of interest in situations where our corporate interest or the one of our subsidiaries’ (if any) collides directly or indirectly with the personal interest of a director. There is a personal interest of a director in a matter when it affects him or her or a related party, and, for proprietary directors, when it affects the shareholder or shareholders that appointed him or her or proposed his or her appointment or to persons directly or indirectly related to them.

Our directors are required to avoid situations which could give rise to a conflict between their duties to us and their private or other interests, unless they have obtained our consent.

In particular, pursuant to Article 229 of the Spanish Companies Act, our directors (and related parties to directors) shall abstain from:

- (i) carrying out transactions with us, other than ordinary transactions, of limited amount and undertaken in standard conditions applicable to all customers;
- (ii) using our name or his or her condition as director to unduly influence private transactions;
- (iii) making use of corporate assets, including confidential information on us, for private use;
- (iv) taking advantage of our business opportunities;
- (v) obtaining advantages or compensations from third parties other than us and our Group associated with their post unless they are a mere compliment; and
- (vi) carrying out activities, on their own or on behalf of third parties, which may compete with us or which could put the director in a permanent conflict with our interests.

Each member of the Board of Directors is required to report to the Board of Directors any circumstances that may give rise to a conflict of interest, direct or indirect, with us. Members of the Board of Directors shall abstain from engaging in commercial or professional transactions which may give rise to a conflict of interest, without having first informed and received approval from the Board of Directors, which shall request a report from the Audit Committee. Such authorization shall not be necessary for transactions entered into with the Group if all of the following conditions are met in respect of the relevant transactions: (a) the transaction is entered into pursuant to an agreement with standard conditions applied to a wide range of clients; (b) the transaction is entered into for a price generally applied by the party acting as supplier; and (c) the transaction does not exceed 1% of our annual turnover. Such authorization shall be granted by the General Shareholders’ Meeting when the size of the relevant transaction exceeds 10% of our assets.

All conflicts of interest involving directors will be disclosed in the financial statements.

In any event, each member of the Board of Directors must refrain from attending and participating in deliberations and votes affecting matters including by way of proxy vote in which they (or a related party, as defined in applicable law) have a direct or indirect conflict of interest.

In case that a conflict of interest situation may reasonably create a structural and permanent conflict between the involved director and us or any of our subsidiaries (if any), such director will then lack the required suitability and capacity to remain in office.

To the best of our knowledge, as of the date of this Informational Document, there are no actual or potential conflicts of interest amongst our directors and senior management and none are engaged in self-dealing or personally engaged in any business that could be deemed as part of our operations.

Furthermore, to the best of our knowledge, as of the date of this Informational Document, neither Merlin Properties nor Acciona can be considered direct competitors of the Company.

Senior Management

The following table lists certain members of our senior management team as of the date of this Informational Document. Our senior management is headed by Mr. Wolfgang Beck, our Chief Executive Officer.

Name	Age	Title	Member of Management since
Francisco Suárez Riobo	46	Chief Financial Officer	2013
Javier Catena Gordo	48	Chief Operating Officer	2018

Set forth below are the biographies of each of these senior managers, other than those provided above:

Mr. Francisco Suárez Riobo

Mr. Francisco Suárez is our Chief Financial Officer since 2013. Between 2013 and 2016, he served as Chief Financial Officer for TIRSA (and the group of companies headed by such company), which was then merged into Merlin Properties. From 2003 to 2013, Mr. Francisco Suárez was the head of management and control of TIRSA (and the group of companies headed by such company) which was then controlled by Sacyr Vallehermoso and he also worked for the Investment Analysis and Structured Financing division of such company. Between 1999 and 2002, Mr. Francisco Suárez assisted the Chief Financial Officer at TIRSA.

Mr. Francisco Suárez holds a Bachelor of Economics and Business Science from University of Cádiz and a Master Degree on Accounting from Pontifical University of Salamanca.

Mr. Javier Catena Gordo

Mr. Javier Catena joined the Company in 2018 as our Chief Operating Officer. He has over 20 years of experience in the real estate market including development, property management, M&A transactions, equity and debt raising, financial restructuring and top management, with extensive experience in different property sectors as shopping centers, residential, offices and hotels. From 2014 to 2018, Mr. Javier Catena was the Managing Director of Monthisa and, in addition, was the Director of Administración y Gestión Planet Sur, S.L., from 2016 to 2017, and the Director of ODM Computers, S.L from May 2017 to December 2017. In 2014, he held the office as the Managing Director at Drago Capital and between 2013 and 2014, Mr. Javier Catena was the Head of Retail Projects at Knight Frank. From 2005 to 2012, Mr. Javier Catena worked at Inmobiliaria Chamartín, S.A., a real estate company with solid presence in Portugal, Spain and Germany, where he served as such company's General Manager. Prior to that, Mr. Javier Catena also held managing positions in other companies in Spain, including Duprocom, Promodeico/ING Real Estate Development and Carrefour Spain. Currently, Mr. Javier Catena is also a member of the Advisory Board of Jackyl Limited and his role is to provide perspectives on the overall strategy of the company as well as property acquisition, disposal and asset management strategies.

Mr. Javier Catena holds a Law Degree and a Real Estate Law Degree from Universidad Complutense de Madrid, a title of specialist in Business Law from Universidad Politécnica de Madrid and a General Management Program from IESE Business School, Universidad de Navarra.

Share Ownership

As of the date of this Informational Document, the only member of our Board of Directors or of our administrative, supervisory or management bodies with direct or indirect shareholdings in our share capital of or above 1% is Banco Santander through Altamira Santander Real Estate, S.A. (0.52%).

Compensation

Compensation of directors

On July 16, 2018, our General Shareholders' Meeting approved our directors' compensations. Pursuant to this resolution, the maximum aggregate amount of directors' remuneration cannot exceed €6,300,000 per year, indefinitely, provided any future General Shareholders' Meeting does not approve any modification. This amount includes the compensation of our directors in their capacity as such and of our Chief Executive Officer pursuant to the services agreement described below.

Chief Executive Officer's services agreement

We entered into a services agreement with Mr. Beck which regulates the terms under which he will render his services as our Chief Executive Officer.

Mr. Beck's remuneration under such agreement consists of:

- (a) an annual salary base of €450,000, which may be updated according to the CPI;
- (b) from the earlier of January 1, 2019 or the date the Shares are admitted to listing on the Spanish Stock Exchanges, a variable remuneration that may reach 80% of Mr. Beck's salary base if he meets 100% of his objectives in terms of FFO1 per average number of shares (weighted 50%) and EPRA NAV per share (weighted 50%) (the level of fulfilment of the objectives and accrual of any right to the annual performance bonus shall be measured on the basis of our annual reasonable budget as approved by the Board of Directors, and achieving the budgeted indicator would mean that the objectives have been fully (100%) achieved);
- (c) a multi-year variable compensation whereby Mr. Beck shall have the right to participate in any long-term incentive plan established by the Board of Directors; in particular, Mr. Beck participates in the ILTIP (as defined herein) approved by the Board of Directors on June 14 and July 16, 2018 and will participate, if applicable, in the LTIP (as defined herein) approved by the General Shareholders' Meeting on April 26, 2018, and described below, and
- (d) an accident insurance policy with an insured amount of €150,000 in the event of death or disability. Moreover, Mr. Beck shall be entitled to the reimbursement of any duly justified travel expenses incurred in our interests.

The services agreement may be terminated:

- (i) by mutual agreement of the Company and Mr. Beck;
- (ii) by the Company unilaterally with a six-month prior notice;
- (iii) by Mr. Beck unilaterally with a six-month prior notice;
- (iv) by the Company due to any material breach of Mr. Beck's obligations under the services agreement or of his duties as executive director or a material action or omission that results in material damages to the Company or any other material event that may constitute grounds to file a liability action by the Company against him, provided that such breach is acknowledged by Mr. Beck or declared lawful (*despido procedente*) by legal or judicial authorities;

- (v) by Mr. Beck due to any breach of our obligations under the services agreement, including any substantial and detrimental amendment of the agreement's terms and conditions;
- (vi) by Mr. Beck unilaterally with a 90 day prior notice in the event of change of control of the Company.

The occurrence of termination events (ii), (v) and (vi) above shall entitle the Chief Executive Officer to receive a severance payment equivalent to 1.5 times the sum of (a) one annuity of his salary base and (b) his variable remuneration, assuming achievement of 100% of the objectives. In addition, he shall be entitled to receive the amount of the multi-year variable compensation accrued until the date of termination of his agreement with us. Nevertheless, if the event of termination (ii) above occurs during the last 18 months of the services agreement term, the Chief Executive Officer shall only be entitled to receive a severance payment equivalent to the number of months pending until the term of the agreement divided by 12 and multiplied by the sum of (a) one annuity of his salary base, and (b) his variable remuneration, assuming achievement of 100% of the objectives. In addition, in the event of good leaver, he shall be entitled to receive the amount of the multi-year variable compensation accrued until the date of termination of his agreement with us.

In the event of accident or illness, we shall pay Mr. Beck's salary base during a period of six months.

In the event of death, Mr. Beck's widow and children under 27 years old who have not yet completed their professional education will be entitled, as joint creditors, to receive (i) Mr. Beck's annual salary base corresponding to the month of the death and six subsequent months, and (ii) the variable remuneration and the multi-year variable compensation accrued from the beginning of the year of the death until the end of the month of the death, on a pro rata basis.

The services agreement includes a non-compete obligation under which Mr. Beck may not compete with us during the term of his agreement. Such obligation shall last one year from the agreement's termination, provided that such termination occurs due to termination events (ii), (v) and (vi) above. The consideration for such obligation will be equivalent to one time the sum of (i) one annuity of the salary base and (ii) the variable remuneration and will be deemed included in the severance payments described above. However, if the termination amount does not include the part corresponding to Mr. Beck's variable remuneration, Mr. Beck shall be entitled to receive one annuity of his salary base in consideration for the non-compete obligation. In the event of breach of such obligation, Mr. Beck shall reimburse such amount to us (including when paid through the severance payment) and shall hold us harmless for any damages caused by such breach as established by the competent court.

2017 director's compensation

The total compensation received by the then six members of the Board of Directors during the year ended December 31, 2017 was €484.7 thousand (€100 thousand of which would correspond to the former Chief Executive Officer of the Company, Mr. Oñate).

Executive directors

The remuneration received during the year ended December 31, 2017 by the then executive director, pursuant to the services agreement entered into with us, classified by item, was as follows:

Director	Year ended December 31, 2017 (thousand of €)			
	Salary ⁽¹⁾	Pension Schemes	Insurance Premiums ⁽²⁾	Total
Miguel Oñate Rino.....	100	-	-	100

(1) Includes gross amounts as follows: fixed salary, accrued annual bonus and in-kind compensation.
(2) Does not include D&O and accident policy contracted globally for the entire Board of Directors.

Non-executive directors

Our non-executive directors during the year ended December 31, 2017 received a total remuneration of €84.7 thousand.

Director	Year ended December 31, 2017 (thousand of €)			
	Salary ⁽¹⁾	Pension Schemes	Insurance Premiums ⁽²⁾	Total
Ignacio Moreno Martínez.....	250	-	-	250
Javier Alarcó Canosa	14.6	-	-	14.6
Antonio Hernández Mancha	50	-	-	50
José María Xercavins Lluch.....	50	-	-	50
Eduardo Fernández-Cuesta Luca	20.1	-	-	20.1

(1) Includes salary in kind.

(2) Does not include D&O and accident policy contracted globally for the entire Board of Directors.

As of the date of this Informational Document, we estimate that the total remuneration payable to the directors of the Company during one fiscal year would amount to €650 thousand (not including the compensation corresponding to the Chief Executive Officer) assuming that all directors are in their offices during the full year.

2017 senior management compensation

For the year ended December 31, 2017, the total compensation received by our senior management team amounted to €320 thousand (excluding insurance premiums):

	Year ended December 31, 2017 (thousand of €)			
	Fixed remuneration	Variable remuneration	Others ⁽²⁾	Total
Senior management ⁽¹⁾	236	84	7	327

(1) These figures include the remuneration received by three senior managers (excluding the former Chief Executive Officer).

(2) These figures refer to insurance premiums.

As of the date of this Informational Document, we estimate that the total remuneration (including fixed and variable) payable to the senior management during one fiscal year would amount to €1.5 million (€10 thousand of which would correspond to our current Chief Executive Officer) assuming that all senior managers are in their offices during the full year and that variable remuneration accrues in full.

The variable remuneration of the Company's senior managers is expected to be linked to cash flow generation and value creation targets (25% based on FFO1 per share, 25% based on EPRA NAV per share and the remaining 50% based on individual targets).

Long-Term Incentive Plan

Interim Long-Term Incentive Plan

On June 14, 2018 and July 16, 2018, our Board of Directors approved an interim long-term incentive plan (the “**ILTIP**”), in order to encourage the fulfillment of our business goals.

The ILTIP is addressed to 11 beneficiaries that include executive directors (currently the Chief Executive Officer) and our senior management.

The ILTIP became effective as of July 1, 2018 and shall have a total duration of up to five years, the first three of which will comprise the performance period (the “**ILTIP Performance Period**”) and the last two of which will comprise the vesting period (the “**ILTIP Vesting period**”). Nevertheless, it is expected that upon a potential admission to listing of the Shares on the Spanish Stock Exchanges, the ILTIP shall be automatically terminated and liquidated as described below and the LTIP described in section “Post-Listing Long-Term Incentive Plan” below will enter into force.

Accrual of the ILTIP is dependent on continued employment or service in Testa until completion of ILTIP Performance Period and shall be linked to the evolution of two value creation parameters during such period: (i) the cumulated FFO1 per share over the ILTIP Performance Period (weighted one third), and (ii) the EPRA NAV per share at the end of the ILTIP Performance Period, including dividend pay-outs per share during the Performance Period (weighted two thirds). Both parameters shall be measured according to the methodology specified by the Board of Directors.

The ILTIP features a target level which is based on an achievement of 100% of certain parameters of the current Company's business plan values; a minimum level which corresponds to an achievement of 90% of certain parameters of the current Company's business plan values, below which the incentive is not awarded (not even on a pro-rata basis); and a maximum level which corresponds to an achievement of 110% of certain parameters of the company's current business plan values. The maximum gross amount payable to the beneficiaries (other than the Chief Executive Officer) under the ILTIP amounts to approximately €750,000 at the minimum level (i.e., level of achievement of 90%), €1,500,000 at the target level (i.e., level of achievement of 100%) and €1,800,000 million at the maximum level (i.e., level of achievement of 110%). If the level of achievement is higher than 90% but lower than 110%, the ILTIP amount shall be calculated on a linear basis except for the Chief Executive Officer and one senior manager.

The gross amount payable to the Chief Executive Officer under the ILTIP amounts to €2,025,000 at the minimum level and €4,050,000 at the target level. The Company and the Chief Executive Officer have agreed that the gross amount at the target level shall act as a limit and, thus, it shall also be the gross amount payable to him at the maximum level. If the level of achievement is higher than 90% but lower than 100%, the ILTIP amount shall be calculated on a linear basis.

The ILTIP shall be fully paid in cash. 50% of the amount payable shall be paid three months after the end of the ILTIP Performance Period (the "**Date of Payment**"), 25% shall be paid on the first anniversary of the Date of Payment and the remaining 25% shall be paid on the second anniversary of the end of the Date of Payment. However, if the Shares are admitted to trading on the Spanish Stock Exchanges, the ILTIP amount accrued until the end of the fiscal half year following the date of admission shall be paid on the first anniversary of the date of such admission. Any amounts payable shall be paid net of any tax payments or social security contributions.

In the event of termination of the ILTIP beneficiary's agreement with the Company due to death or disability (either temporal or permanent, total, absolute or high incapacity (*gran invalidez*)), the ILTIP beneficiary or its heirs will be entitled to receive the entire amount of the ILTIP on the Date of Payment or, if termination occurs after the Date of Payment, on the date of termination of the agreement. Otherwise, in the event of good leaver, the beneficiary shall be entitled to receive the amount of ILTIP accrued until the date of termination of his or her agreement with us, which shall be paid in three yearly instalments as described above. In the event of bad leaver, the beneficiary shall not be entitled to receive any amount under the ILTIP (except for those amounts already paid at the time of termination of the agreement).

Post-Listing Long-Term Incentive Plan

On April 26, 2018, our General Shareholders' Meeting approved a long-term incentive plan (the "**LTIP**"), in order to encourage the fulfillment of our business goals.

The LTIP is addressed to 11 beneficiaries that include executive directors (currently the Chief Executive Officer) and our senior management.

The LTIP will become effective upon admission to listing of our Shares on the Spanish Stock Exchanges and shall have a total duration of five years, the first three of which will comprise the performance period (the "**Performance Period**") and the last two of which will comprise the vesting period (the "**Vesting period**").

Accrual of the LTIP is dependent on continued employment or service in Testa until completion of Performance Period and shall be linked to the evolution of two value creation parameters during the Performance Period: (i) the absolute total shareholder return (weighted one third), (including dividend pay-outs per share) and (ii) the EPRA NAV per share increase weighted two thirds), (including dividend pay-outs per share). The Board of Directors shall specify the methodology to measure these two parameters and both parameters shall include any dividend pay-outs or shareholders distributions that may take place during the Performance Period.

The LTIP features a threshold level of 18% of value creation (based on the above weighted average of total

shareholder return and EPRA NAV per share evolution including dividends paid), below which the incentive is not awarded and a target level of 18% of value creation corresponding to 100% of the objective. If the level of value creation achieved during the Performance Period is lower than 18%, the LTIP shall not accrue (for the avoidance of doubt, not even on a pro rata basis).

Moreover, with regard to the Chief Executive Officer exclusively, the LTIP features a maximum level of 35% of value creation providing an upside for overachievement. If the level of value creation achieved during the Performance Period is higher than 18% but lower than 35%, the amount payable to the Chief Executive Officer under the LTIP shall be calculated on a linear basis. If the level of value creation achieved during the Performance Period is higher than 35%, the amount payable to the Chief Executive Officer under the LTIP shall be equivalent to the amount that would be paid if the level of value creation achieved had been 35%.

The maximum amount payable annually under the LTIP amounts to approximately €1,100,000 million at the target level (i.e., if the level of value creation is greater or equal to 18%) and €1,800,000 million at the maximum level (i.e., if the level of value creation is greater or equal to 35%). The amount payable to the Chief Executive Officer under the LTIP amounts to €675,000 at the target level (i.e., if the level of value creation is equal to 18%) and €1,350,000 at the maximum level (i.e., if the level of value creation is equal to or higher than 35%).

The LTIP shall be paid in cash (50%) and in ordinary shares (50%). The amount in cash shall be paid within three months from the end of the Performance Period (the “**Payment Date**”). The delivery of the ordinary shares will be made as follows: 50% of the shares deliverable under the LTIP shall be delivered on the first anniversary of the Payment Date of the cash amount and the remaining 50% of the ordinary shares deliverable under the LTIP shall be delivered on the second anniversary of such Payment Date. The number of ordinary shares deliverable under the LTIP shall be determined on the Payment Date and calculated by dividing the payable amount in Euros by the average closing price per share during the 20 trading sessions prior to the date on which the amount payable under the LTIP is determined.

The shares will be delivered net of any taxes or, if applicable, social contributions payable arising from the LTIP.

In the event of death or disability (either temporal or permanent, total, absolute or high incapacity (*gran invalidez*)), the LTIP beneficiary or its heirs will be entitled to receive the entire amount of the LTIP. Otherwise, in the event of good leaver, the beneficiary shall be entitled to receive the amount of LTIP accrued until the date of termination of his or her agreement with us. In the event of bad leaver (such as any material breach of service conditions or duties as executive director, material action or omission that results in material damages to us or any other material event that may constitute grounds to file a liability action by us against the LTIP beneficiary), the beneficiary shall not be entitled to receive any amount under the LTIP (except for those amounts already paid at the time of termination of the agreement).

D&O insurance policy

We maintain an insurance policy that covers liabilities incurred by the members of the Board of Directors as a result of actions taken in their official capacity as directors, up to an aggregate amount of €50 million.

Family relationships

There are no family relationships and no “close relatives” (as this term is defined in applicable regulations for related party transactions and, in particular, in Order EHA/3050/2004, of September 15, 2004, on information to be disclosed by listed companies regarding related party transactions) amongst the directors, the directors and other members of the Group’s senior management or the members of the Group’s senior management.

No convictions and other negative statements

None of our directors or members of our senior management have, in the five years preceding the date of this Informational Document: (i) been convicted in relation to fraudulent offences; (ii) acted as directors of entities affected by bankruptcy, receivership or liquidation, except as set out immediately below; (iii) been publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities or from acting in the management or conduct of the affairs of any issuer.

Mr. Javier Catena was a member of the Supervisory Board of Chamartin Meermann AG (CMI) (Germany) until March 2012, when such company filed for insolvency.

SIGNIFICANT SHAREHOLDERS

As of the date of this Informational Document, our issued share capital amounts to €132,270,202, divided into a single class of 132,270,202 ordinary shares, with a nominal value of €1 each.

The following table sets forth the beneficial ownership of our ordinary shares as of the date of this Informational Document:

Beneficial Owner	Number of shares beneficially owned	%
<i>Santander Entities⁽¹⁾</i>	<i>48,764,677</i>	<i>36.87%</i>
Banco Santander, S.A.	17,331,791	13.10%
LURI6, S.A.	23,336,794	17.64%
LURI4, S.A. (en liquidación) ⁽²⁾	3,521,773	2.66%
Altamira Santander Real Estate, S.A.	690,319	0.52%
Banco Popular Español, S.A.	3,709,154	2.80%
Banco Pastor, S.A.U.	174,846	0.13%
 <i>BBVA Entities⁽³⁾</i>	 <i>33,390,925</i>	 <i>25.24%</i>
Banco Bilbao Vizcaya Argentaria, S.A.	32,772,373	24.78%
UNNIM Sociedad para la Gestión de Activos Inmobiliarios, S.A.	203,973	0.15%
Anida Operaciones Singulares, S.A.	414,579	0.31%
 <i>Merlin Properties, SOCIMI, S.A.</i>	 <i>22,420,089</i>	 <i>16.95%</i>
 <i>Acciona Real Estate, S.A.</i>	 <i>26,454,040</i>	 <i>20.00%</i>
 <i>Minority shareholders⁽⁴⁾</i>	 <i>626,698</i>	 <i>0.47%</i>
<i>Treasury shares⁽⁵⁾</i>	<i>613,773</i>	<i>0.46%</i>
<i>TOTAL.....</i>	<i>132,270,202</i>	<i>100%</i>

- (1) Includes ordinary shares of the Company held directly by Banco Santander, S.A. and indirectly through the Santander Entities.
- (2) We have been informed that it is expected that on or prior to July 31, 2018 LURI4, S.A. en liquidación will transfer its shares to Banco Santander, S.A.
- (3) Includes ordinary shares of the Company held directly by Banco Bilbao Vizcaya Argentaria, S.A. and indirectly through the BBVA Entities.
- (4) As of the date of this Informational Document there are approximately 1,500 minority shareholders.
- (5) The Company has entered into a share purchase agreement with a minority shareholder affecting 9,854 shares; since the transfer of said shares to the Company can be effectuated until July 24, 2018, they are not reflected as treasury shares in the table above. However, this figure includes the 21,646 shares provided to the Liquidity Provider.

The amounts and percentages of ordinary shares beneficially owned by each shareholder are reported on the basis of CNMV rules governing the determination of beneficial ownership, and the information is not necessarily indicative of beneficial ownership for other purposes. Our share capital is represented by a single class of ordinary shares, with the same economic, voting and related rights. Each ordinary share gives the right to one vote. Consequently, shareholders do not have different voting rights. Further details relating to the ordinary shares of the Company are set out in “Description of Share Capital”.

Change of control of the Company

We are not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

Shareholders’ agreement

On September 20, 2017, Banco Santander, BBVA, Acciona, Merlin Properties (the “Significant Shareholders”) and us entered into a shareholder agreement (the “Shareholders’ Agreement”) which regulates, amongst others, the steps to be taken relating to the admission to listing of the ordinary shares, certain restrictions on the free transferability of the ordinary shares of the Company (prior to the an initial public offering of our shares and after it) and certain aspects relating to our corporate governance.

The Shareholders' Agreement remains in force as of the date of this Informational Document, but will terminate upon completion of an offering and admission to listing of our Shares on the Spanish Stock Exchanges with the exception of the post-offering transfer restrictions summarized below.

Furthermore, the Shareholders Agreement entered into by the Selling Shareholders sets forth restrictions on the free transferability of the Selling Shareholder's Shares applicable to two different periods of time:

Prior to the completion of an offering and admission to listing of our Shares on the Spanish Stock Exchanges:

- (i) The following transfers of Shares shall be free from any restriction:
 - (a) Transfers between entities of the same Group.
 - (b) Third-party transfers provided the percentage of Shares held by the acquiror after the acquisition remains below 3%.
 - (c) Transfers made pursuant to the offering for the admission to trading of the Shares on the Spanish Stock Exchanges.
- (ii) The remaining transfers of Shares shall be subject to the following restrictions:
 - (a) Right of first offer of the other Selling Shareholders.
 - (b) Tag-along right which may be exercised totally or partially when, as a consequence of the envisaged transfer, the acquiror holds over 50% of the Company's share capital.
 - (c) Preferential acquisition rights which may be exercised when the transfer of Shares implies that the shareholdings of the transferor fall beneath 60% of its actual holding provided that the transferee does not adhere to the Shareholders Agreement.

During a period of 18 months following the date of the offering of our Shares in the Spanish Stock Exchanges:

- (i) The following transfers of ordinary shares shall be free from any restriction:
 - (a) Transfers of ordinary shares tendered in the context of a public tender offer for all our share capital, and
 - (b) Any transfer not restricted by the following paragraph (ii), including any private placement to a single investor.
- (ii) Transfers subject to restrictions:
 - (a) Any transfer of ordinary shares in a single trading session in the Spanish Stock Exchanges by the same Significant Shareholder, or its affiliates, shall not exceed 20% of the average daily trading volume in the last 15 previous sessions.
 - (b) Should one of the Significant Shareholders promote private placements to a plurality of investors of more than 2.5% of our share capital, the other Significant Shareholders shall have the right to also participate in such private placement. However, such other Significant Shareholders will only be entitled to offer, in the context of such private placement, a number of ordinary shares that shall not exceed, in respect of their corresponding holdings, the proportion which the ordinary shares offered by the promoting Significant Shareholder bear to such promoting Significant Shareholder's total holding. Once said private placement has been completed, no Significant Shareholder (regardless of their participation in the placement) may promote any new private placement in the following three months.

The Shareholders' Agreement contains another provision that explains why Acciona's investment in Testa in September 2017 resulted in the recording of a non-current liability by Testa for a total amount of €355,565 thousand (see Note 8 to the Unaudited Interim Condensed Consolidated Financial Statements and Notes 3 and 15 to the 2017 Consolidated Financial Statements), rather than as an increase in equity. Acciona was granted an

option by the other Significant Shareholders in the Shareholders Agreement to request the redemption of the ordinary shares subscribed by Acciona in the context of its contribution to our share capital increase executed on September 25, 2017 if we failed to carry out the listing of our shares before September 21, 2022. In such event, Acciona may request that we acquire and redeem its shares and that we return to Acciona, in exchange, an amount equivalent to our NAV multiplied by Acciona's stake in our share capital at the time of redeeming its shares. This amount may be delivered either in kind, by returning to Acciona all the assets that it contributed to the Company in 2017, provided these assets are still owned by us, or in cash. To safeguard the return in kind, our Significant Shareholders and ourselves committed not to dispose of some of our assets, including some Coto assets, without Acciona's prior consent. If the return is made in kind, all the assets contributed by Acciona to us that are still held by us at that time shall be delivered to Acciona. The assets shall be valued at their respective NAV that has been used to calculate our aggregate NAV, considering, if applicable, any debt relating to these assets. If the aggregate NAV of the assets to return to Acciona is higher than the amount to be returned to it, Acciona shall pay us the excess in cash, except as otherwise agreed between Acciona and us. Conversely, if it is lower, Acciona shall keep a stake in our share capital equivalent to the difference, except as otherwise agreed between Acciona and us. We recognized this commitment as a financial liability for a total amount of €355,565 thousand. Upon completion of the offering of our Shares in the Spanish Stock Exchanges, this liability will immediately become equity. For further information, see *"Related Party Transactions—Transactions with the Significant Shareholders—Acciona Investment Agreement"*.

Finally, the Shareholders' Agreement also sets forth that the Board of Directors may only pass certain resolutions upon the favorable vote of the lower of (i) seven directors, or (ii) directors representing two thirds of the members of the Board of Directors (discounting potential conflicted directors). The resolutions that shall be passed requiring such voting majority include, among other, any proposal to modify our by-laws; the acquisition of assets, or the proposal to the general shareholders' meeting to acquire assets, for an amount superior to €75 million; the proposal to the general shareholders' meeting to adopt a resolution on cancelling the applicability of the SOCIMI Regime; any agreement to be entered into between Banco Santander, BBVA, Acciona, Merlin Properties and us; entering into financing agreements that increase our total indebtedness in €50 million or our LTV above 35%; granting guarantees under certain circumstances; the acquisition of treasury stock and the approval of an incentive in favor of the executive directors or the members of the management team of the Company related to the future admission to trading of our shares on the Spanish Stock Exchanges.

RELATED PARTY TRANSACTIONS

We enter into transactions with certain related parties or their affiliates from time to time and in the ordinary course of our business. Material related party transactions carried out during 2016, 2017 and the three months ended March 31, 2018 are set out below.

For additional information on our related party transactions, see notes 20 and 11 to the 2017 Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements, respectively.

All related party transactions carried out during 2016, 2017 and the three months ended March 31, 2018 have been carried out at arm's length within the ordinary course of our business.

Transactions with the Significant Shareholders

Transactions with Merlin Properties

Merlin Services Agreement

On October 20, 2016, we entered into an agreement with Merlin Properties for the provision of advisory, planning and strategic management services by the latter to us (the “**Merlin Services Agreement**”). The purpose of the Merlin Services Agreement was to regulate our commercial relationship with Merlin Properties after Metrovacesa's spin-off, through which Metrovacesa's multi-family rented residential portfolio was contributed to the Company, leading to the entry of several new shareholders into our share capital. Prior to Metrovacesa's spin-off, we were a Merlin Properties—controlled subsidiary, and Merlin Properties had already been providing us certain services for the development of our planning and strategic management. However, after Metrovacesa's spin-off, it was necessary to revise the terms of the commercial relationship with Merlin Properties since, on the one hand, Merlin Properties ceased to be our controlling shareholder, and, on the other hand, the assets in our portfolio increased significantly, which required better long-term advisory, planning and strategic management services.

Under the Merlin Services Agreement, Merlin Properties undertook to provide us advisory, planning and strategic management services in connection with our residential assets, with the aim of increasing their value in the long run. Merlin Properties, in consideration for such services, was entitled to receive an annual amount of €7,700,000 (the “**Base Commission**”), VAT excluded, to be increased by 1.5% annually.

The initial term of the Merlin Services Agreement was 30 years; however, both Merlin Properties and we were expressly allowed to early terminate the Agreement upon the occurrence of certain events. Without prejudice to the situations foreseen in the applicable law, either party could trigger the early termination in the following cases: (i) non-remedied repeated serious breach; (ii) bankruptcy, winding up, end of business activity or loss of legal status of the other party; or (iii) sanction preventing Merlin Properties from complying with its obligations under the Merlin Services Agreement.

Additionally, the Merlin Services Agreement provided for discretionary early termination by either party in case we were to seek the admission to trading of our ordinary shares in the Spanish Stock Exchanges, provided a minimum free-float of 25% was reached, or a third party were to acquire the control over us. In such scenarios, we were compelled to pay (i) the unpaid and accrued fees for all services Merlin Properties had provided to us up to the date on which the termination became effective; plus (ii) a penalty amounting to the net present value of the Base Commission (calculated as of the date the termination was effective) that would have accrued until the termination of the Merlin Services Agreement (i.e., on the conclusion of the 30-year term), discounted as per an annual compound discount rate of 1.5%, in order to compensate any damages caused to Merlin Properties as a result of the early termination. Said penalty could be paid, in whole but not in part, in either cash or our ordinary shares (either treasury shares or newly issued shares), at our choice. In any in-kind payment, our ordinary shares would be valued at the most recently published NAV per share (prior to carrying out the capital increase, in case new shares were to be issued). In any event, the net present value of the Base Commission would not be accounted for as debt when calculating the NAV per share. The penalty was capped at 640,693,342 newly issued ordinary shares (if new ordinary shares were to be issued).

The parties also had the right to withdraw from the Merlin Services Agreement after its 1st anniversary, by serving prior written notice. Should the Merlin Services Agreement be early terminated at our request, a

compensation (i.e. fees accrued plus net present value of the Base Commission) was to be provided to Merlin Properties on the same terms as provided for in the preceding paragraph.

Pursuant to Acciona's right to request the termination under the Acciona Investment Agreement (see below "*Acciona Investment Agreement*"), on January 3, 2018, we served a termination notice of the Merlin Services Agreement to Merlin Properties. The termination was effective as of January 19, 2018 and entailed the payment of (i) the unpaid and accrued fees for the services provided by Merlin Properties as of January 19, 2018, amounting to €2,220,088.71, plus VAT; and (ii) a penalty for early terminating the Merlin Services Agreement, which we chose to pay in newly issued ordinary shares, amounting to 640,693,342 newly issued ordinary shares, with a par value of €0.01 and a premium of €0.130037800013383 each, for a total amount of €89,721,286.09, plus VAT (amounting to €18,841,470.08) with the VAT amount being paid in cash. The 640,693,342 new shares delivered to Merlin Properties were issued by means of a capital increase approved by the Extraordinary General Shareholders' Meeting held on March 26, 2018, and they were fully subscribed and paid-up through the capitalization of such credits owed to Merlin Properties as penalty for terminating early the Merlin Services Agreement.

Acquisition of Treasury Shares from TIRSA, which Subsequently Merged with Merlin Properties

On June 24, 2016, we acquired from TIRSA, our sole shareholder at that time, 10,906,847,110 of our quota shares (*participaciones sociales*). Subsequently, we carried out a reduction of our share capital through the redemption of such quota shares (*participaciones sociales*). See "*Description of Share Capital*".

The payment of the consideration for the acquisition of such quota shares (*participaciones sociales*) (amounting to €60,697,125.94, in aggregate) was made through the offsetting of the following credits: (i) an intra-group loan we granted to TIRSA, which, at the date of the acquisition, amounted to €84,481,125.94; and (ii) a credit claim we held against TIRSA deriving from the assumption by us of all of TIRSA's banking debt resulting from the following facility agreements: (a) a mortgage loan entered into by TIRSA and ING Bank, N.V., Sucursal España on December 4, 2009, for an amount at the date of the transaction of €53,200 thousand, in which we intervened as guarantors of the transaction, and (b) a mortgage loan between TIRSA and Banco Santander, S.A., dated December 2, 2013, for an amount at the date of the transaction of €23,016 thousand, in which we also intervened as guarantors (see "*Operating and Financial Review—Liquidity and Capital Resources—Borrowings and Other Financing Arrangements—Mortgage Loan Agreements*").

In 2016, Merlin Properties and TIRSA entered into a merger by absorption, by means of which the latter was absorbed by the former. The merger was registered with the Commercial Registry of Madrid on October 14, 2016. As provided in the merger agreement, for accounting and economic purposes, all transactions entered into by TIRSA in 2016, including the sale of our treasury quota shares (*participaciones sociales*), were considered to have been performed by Merlin Properties.

Merlin Properties Lease Agreements

On November 1, 2017, we entered into a sublease agreement with Merlin Properties, through which we agreed to rent an office space located in 15-21 calle Llança, Barcelona, in exchange for a monthly rent of €37.20, which shall be revised annually in line with the CPI. The property was initially leased by the landlord to Merlin Properties, which decided to sub-lease to us an office space of 31.60sqm for an initial period ending on August 14, 2022, which will be binding for both parties, and to be automatically renewed as many times as the original lease agreement entered into between Merlin Properties and the landlord is renewed, unless any of the parties decides otherwise, in accordance with the terms of the sublease agreement. In no event shall the sublease agreement exceed the term of the original lease agreement, the termination of which will entail the termination of the former. To secure the obligations undertaken in this agreement, we provided Merlin Properties with a security deposit of €1,074.40. This agreement remains in force as of the date of this Informational Document.

On March 1, 2016, we entered into a lease agreement with TIRSA in connection with an office space at 7 calle Ventura Rodríguez, Madrid, under which we paid a base amount of €1,569.30 per month to TIRSA. As a result of the Merlin Properties and TIRSA merger, the lease agreement was considered to have been performed by Merlin Properties. On November 1, 2016, the agreement was amended, increasing the leased surface and consequently the rent payable to Merlin Properties. After such amendment, we paid a base amount of €1,357.32 per month to Merlin Properties, to be revised annually in line with the CPI as from March 1, 2017. To secure the obligations undertaken in this agreement, we provided a security bond for an amount of €22,714.69. This agreement was terminated with effect as of March 31, 2017.

Merlin Interim IT Services Agreement

In connection with the planned migration from Merlin Properties' IT platform to our own IT platform by the end of 2018 (see "*Business—Information Technology*"), on April 4, 2018, we entered into an agreement with Merlin Properties for the provision of advisory services in the context of the aforementioned IT migration process and for the use of Merlin Properties' IT platform during the interim period prior to our transition into our own IT platform (the "**Merlin Interim IT Services Agreement**"). The contract is effective from January 19, 2018 and terminates on December 31, 2018, when we expect to have fully migrated and transitioned to our own IT platform. In consideration for such services, Merlin Properties will be entitled to receive a fixed monthly amount of €9,616.25 (VAT excluded).

Merlin IP Agreement

On April 4, 2018, we entered into an agreement with Merlin Properties, through which we acquired the ownership of certain registered trademarks and domain names for which we paid an amount of €1,000 plus VAT.

Acciona Investment Agreement

On July 27, 2017, we entered into an investment agreement with Acciona (the "**Acciona Investment Agreement**"), for the purpose of regulating, amongst others, the terms and conditions of (i) Acciona's contribution to the Company of certain real estate assets and the interests held in some real estate companies (Coto and Valgrand 6, S.A.U. ("**Valgrand**")); and (ii) the contribution to the Company of certain real estate assets in Madrid by RED II; both in-kind contributions were carried out in consideration for newly issued ordinary shares.

Our other Significant Shareholders also intervened in the Acciona Investment Agreement, through which they accepted certain undertakings *vis-à-vis* one another, including to vote in the general shareholders' meeting (that was finally held on September 14, 2017) in favor of the resolution approving the capital increase of the Company through in-kind contributions from Acciona and RED II. Also, our Significant Shareholders accepted that, by means of the Acciona Investment Agreement, Acciona was entitled to request that we terminate the Merlin Services Agreement early at any time between January 1, 2018 and December 31, 2018, without prejudice to our right to unilaterally terminate the Merlin Services Agreement. Pursuant to the Acciona Investment Agreement, it was agreed that the compensation to Merlin Properties resulting from the termination of the Merlin Services Agreement would be paid by means of the delivery to Merlin Properties of up to 640,693,342 newly issued ordinary shares (with a par value of €0.01 and a premium of €0.130037800013383 each, for a total amount of €89,721,286.09). Our Significant Shareholders, including Acciona, agreed to vote in favor of any future capital increase required to issue the ordinary shares owed to Merlin Properties. The related capital increase was approved on March 26, 2018 (see "*Description of Share Capital—General*"). In addition, it was agreed that we would indemnify and hold Acciona harmless for, among others, any losses, damages, liabilities, claims or expenses that Acciona might suffer deriving from the non-termination of the Merlin Services Agreement, or its termination on terms other than those therein agreed and taken into consideration for the calculation of the exchange ratio (as explained below).

As a result of the execution of the Acciona Investment Agreement, on September 25, 2017 we formalized the increase of our share capital by €26,876,786.78, through the issuance of 2,687,678,678 new ordinary shares, with a par value of €0.01 and a premium of €0.11694621348 each. The number of ordinary shares issued was established pursuant to an exchange ratio based on the balance sheets of the Company, Coto and Valgrand, and the contributed assets, as at March 31, 2017. It was agreed that, in the event of a variation in the above valuation, as a consequence of a variation of the cash, deposits and long term debt line items of the balance sheets of the Company, Coto and Valgrand), a cash adjustment would be carried out –i.e., if the value increased, we were to pay the difference in favor of Acciona, but if the value of such line items as of September 30, 2017 were lower than as of March 31, 2017, we were entitled to receive such difference from Acciona–. As there was an increase in the valuation, we were required to pay to Acciona the difference in cash, which amounted to €1,167 thousand.

The early termination of the Merlin Services Agreement resulted, in accordance with its terms, in a VAT payment of €18,841,470.08 to Merlin Properties by the Company, which exceeded the agreed penalty in shares to Merlin Properties (i.e., 640,693,342 newly issued ordinary shares) contemplated in the Acciona Investment Agreement. As a result, in accordance with the terms of the Acciona Investment Agreement, Acciona was entitled to a compensation in cash, which amounted to €4,233 thousand.

As a consequence of the foregoing, we expect to pay Acciona a total amount of €5,400 thousand.

Together with the Acciona Investment Agreement, we also entered into a sale and purchase agreement with Acciona for the purchase of a storage unit in Lerida from Acciona, for an amount of €535, plus VAT, which was formalized by means of a public deed executed on September 20, 2017.

Agreements with Santander Entities

See also “—*Global Assignment of Assets and Liabilities of Gesfontesta, S.A.U.— Agreement with Santander Real Estate, S.A., S.G.I.I.C., as the manager of Santander Ahorro Inmobiliario 1, S.A.*”.

Syndicated Facilities Agreement with Banco Santander, among others

On December 14, 2017, we entered into the Syndicated Facilities Agreement with a syndicate of banks including, among others, Banco Santander, for the purpose of refinancing existing debt and for general corporate purposes. As a result, the Metrovacesa Loan Agreement, as well as other facility agreements in which we were debtors, were cancelled. For a more detailed description on the Syndicated Facilities Agreement and the Metrovacesa Loan Agreement, see “*Operating and Financial Review—Liquidity and Capital Resources—Borrowings and Other Financing Arrangements*”.

Sales and Purchase Agreement with Santander Ahorro Inmobiliario 1, S.A.

On December 22, 2017, we entered into a sales and purchase agreement with Santander Ahorro Inmobiliario 1, S.A. for the acquisition of 61 properties —of which 26 are residential properties and the remainder are parking lots, storage units and one commercial premise—, all located in Ensanche de Vallecas, Madrid, for an aggregate consideration of €4,139,479 in cash. The purchase price paid in this acquisition was supported by an independent expert’s report that confirmed that the transaction had been executed at arm’s length. As a result of such acquisition, we subrogated Santander Ahorro Inmobiliario 1, S.A. in all agreements with third parties in force in connection with the properties, including all lease agreements, security interests and lease deposits.

Lease Agreements with the Banco Santander group

We have entered into lease agreements with Banco Santander and its group in the ordinary course of our business, all of which have been carried out at arm’s length. Currently, we (acting as landlords) have a few agreements in force with certain entities in the Banco Santander group (acting as tenants), including: (i) a commercial lease agreement in connection with a property located in 193 Paseo de la Castellana, Madrid, initially entered into on October 20, 1997 and supplemented on January 29, 2018, by means of which the term was extended to February 29, 2020, and the monthly rent was set at €15,400, as from March 1, 2018, to be revised annually in line with the CPI; (ii) a commercial lease agreement related to a property located in 23/25 Avenida de Cesáreo Alierta, Zaragoza, entered into on March 26, 2003, for a monthly rent currently at €1,704.03 subject to annual reviews in line with the CPI; and (iii) a lease agreement executed on June 1, 2017, in connection with a residential property located in 14B calle Costa Brava, Madrid, for a monthly rent currently at €3,600 subject to annual reviews in line with the CPI with an initial term of one year, to be automatically renewed for two additional one-year periods unless the tenant serves prior written notice to us in this regard.

Transactional agreement with LURI6, S.A.

One of the assets acquired by us from LURI6, S.A. as part of its contribution to the share capital increase of March 7, 2017 (see “*Description of share capital—General*”) is a residential business located in Mandeo, A Coruña, identified as “Río Mandeo”, the units of which were leased to different occupants, (for more information on this property, see “*Business— Key Legal Features of Portfolio— Private and Social Housing*”).

After the contribution the city council of Cambre (La Coruña), the municipal authority where the Río Mandeo property is located, has asserted the applicability of a planning agreement that would have been entered into with the original developer of the Río Mandeo property which would limit the use of Río Mandeo to permit its use only as a multi-residence housing facility for elderly people. The planning agreement was not known to us, nor reportedly to LURI6, S.A., and would be in contradiction with other circumstances acknowledged by the public administration, including the revision and acceptance of the existing lease agreements and the actual use underlying the real estate municipal tax. Both LURI6, S.A. and us disagree with the municipal authority’s

position regarding the effect of the planning agreement. We both understand that the Río Mandeo property can continue being used pursuant to the applicable social housing regime that was deemed applicable.

In addition to continuing the interaction with the municipal authority of Cambre to seek clearance according to our belief of the legal regime, whether through negotiations, administrative proceedings or a judicial decision, on June 8, 2018, we entered into a transactional agreement with LURI6, S.A., for the purpose of regulating an amicable settlement should the city council's interpretation of the Mandeo Property's use be not corrected or modified (the "**Transactional Agreement**"). The Transactional Agreement establishes that we shall continue managing the Mandeo property as its owners and take all necessary actions to obtain the required judicial award or administrative licenses or other form of resolution confirming, in either case, the residential use of the Río Mandeo property pursuant to the Spanish Lease Act. The effectiveness of the Transactional Agreement will, pursuant to its terms, terminate upon either (i) having obtained such confirmation of the permissible use of the Río Mandeo as residential apartments; or (ii) the acquisition of the Mandeo property by LURI6, S.A. (or a third-party approved by LURI6, S.A.) not later than the end of 2020 for a consideration equal to €9,185 (the "**Assured Valuation**"); or if neither (i) nor (ii) occurs, (iii) the transfer by us of the Río Mandeo property to a third-party that agrees to acquire the Río Mandeo Property. If the consideration received in the context of said third-party acquisition differs from the Assured Valuation, the parties will compensate each other, as applicable, for such difference. In the sole event that the amounts to be received by us pursuant to the Transactional Agreement should not compute as qualifying revenue within the 80% threshold that must be preserved to maintain the SOCIMI status we may require LURI6, S.A. to acquire the Mandeo portfolio or negotiate an alternative compensation mechanism.

Global Assignment of Assets and Liabilities of Gesfontesta, S.A.U.

On October 18, 2016, Merlin Properties, in its capacity as the sole shareholder of Gesfontesta, S.A.U. ("**Gesfontesta**"), passed a resolution in which it decided to dissolve Gesfontesta and assign all its assets and liabilities to us, through a global assignment of assets and liabilities, in consideration for an amount of €1,000,730.54, in cash. The transaction's public deed was executed on November 29, 2016. The assets and liabilities of Gesfontesta respectively amounted to €1,538,150.74 and €537,420.2 as of September 30, 2016 and consisted mostly of accounts receivable and accounts payable which, after one year from the execution of the transaction's public deed, could lead to an adjustment in price. However, the price was finally not ultimately subject to any adjustment.

Accordingly, we assumed Gesfontesta's contractual position in the agreements with third parties, as well as the agreements with some of our Group's companies and related parties, including the following:

Agreement with Santander Real Estate, S.A., S.G.I.I.C., as the manager of Santander Ahorro Inmobiliario 1, S.A.

On December 4, 2014, TIRSA and Gesfontesta entered into an agreement with Santander Real Estate, S.A., S.G.I.I.C., as the manager of Santander Ahorro Inmobiliario 1, S.I.I., S.A. for the provision by Gesfontesta of lease management services (including real estate-related accounting services), as well as collaboration services on the sale of properties, all of which are provided in connection with the assets owned by Santander Ahorro Inmobiliario 1, S.I.I., S.A., as well as any assets that it may own in the future.

The fees for the provision of such services is calculated as the sum of the following amounts (i) 4% of the sum of the accrued monthly income derived from the leased properties, plus any compensations and/or penalties derived from the termination of the lease agreements over such leased properties; and (ii) 1.75% over the expenses passed on to tenants. Moreover, marketing expenses will be reimbursed in accordance with the terms set out in the contract. Additionally, as consideration for our collaboration services on the sale of properties, we are entitled to receive €4 per dwelling sold by means of a public deed, to be revised annually in line with the CPI. Gesfontesta is entitled to request the revision of the fees in the event that the profitability under the agreement is reduced as a result of a significant change in the portfolio owned by Santander Ahorro Inmobiliario 1, S.I.I., S.A. To secure the transaction, TIRSA jointly and severally guaranteed the compliance by Gesfontesta of its obligations under the agreement, a guarantee which was later assumed by Merlin Properties.

After the global assignment of assets and liabilities of Gesfontesta to us, we assumed the contractual position of Gefontesta in said agreement. The aforementioned services' agreement was terminated on May 30, 2018.

Gesfontesta Lease Agreements

On March 1, 2016, Gesfontesta entered into a lease agreement with TIRSA for the property located in 605 Avenida Diagonal, 7th floor, Barcelona, in exchange for a monthly rent of €881.88, plus expenses, and a guarantee of €1,763.75, for an initial term ending on February 28, 2018. Following our assumption of Gesfontesta's contractual position, which was formalized through the novation of such agreement dated October 17, 2016, we became the tenant of the property and, following the merger between TIRSA and Merlin Properties, the latter was understood to be its landlord. On October 31, 2017, such agreement was terminated.

Other related party transactions with Group companies

Related party transactions with managers and/or directors

On August 1, 2017, we signed a lease agreement with our Vice Chairperson, Mr. Miguel Oñate Rino, in connection with a residential property located in Madrid, for an initial monthly rent of €1,000, which may be initially revised by either party on August 1, 2018 and, thereafter, it may be annually reviewed in line with the CPI.

During the years ended December 31, 2016 and December 31, 2017 and the three-month period ended March 31, 2018, we did not carry out any related party transaction other than in our ordinary course of business or applying terms that differ from market conditions.

See also notes 20 and 11 to the 2017 Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements, respectively.

DESCRIPTION OF SHARE CAPITAL

The following summary provides information concerning our share capital and briefly describes certain significant provisions of our by-laws (*estatutos sociales*) as well as Spanish corporate law, the Spanish Companies Act, Spanish Act 3/2009 on Structural Amendments of Private Companies (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*), the LMV and Royal Decree 878/2015 on clearing, settlement and registry of negotiable securities in book-entry form, and transparency requirements for issuers of securities admitted to trading on an official secondary market (*Real Decreto 878/2015, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*).

This summary does not purport to be complete and is qualified in its entirety by reference to our by-laws and other internal regulations as well as the Spanish Companies Act and other applicable laws and regulations.

General

As of the date of this Informational Document, our issued share capital consists of €132,270,202 divided into a single series of 132,270,202 ordinary shares, with a par value of €1 each and with ISIN code ES0105210001 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 our ordinary shares are fully subscribed and paid-up. Non-residents in Spain may hold shares and vote, subject to the restrictions described under “*Restrictions on Foreign Investment*”.

Our 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.

Our main corporate purpose is (i) the acquisition and promotion of urban properties earmarked for lease, including the refurbishment of buildings in the terms established in Law 37/1992, of December 28, on Value Added Tax; (ii) the ownership of interests in the share capital of other SOCIMIs or other companies not resident in Spain whose corporate purpose is equal to the one of a SOCIMI and, which are subject to a regime similar to that established for the SOCIMIs in relation to the mandatory profit distribution policy, set out either in the applicable laws or its by-laws; (iii) the ownership of interests in the share capital of other companies, resident in Spain or not, whose main corporate purpose consists in the acquisition of urban properties earmarked for lease, which are subject to a regime similar to that established for SOCIMIs in relation to the mandatory profit distribution policy, set out either in the applicable laws or in its by-laws, and meet the investment requirements compulsory for such type of companies; and (iv) the ownership of shares or ownership interests in real estate collective investment institutions regulated by Law 35/2003, of November 4, on collective investment institutions (“**Law 35/2003**”).

Likewise, together with the business activity deriving from our corporate purpose, we may also carry out any ancillary activity. Ancillary activities are understood as those activities whose income represent, in aggregate, less than 20% of our income for each year, or those which may be considered ancillary pursuant to the applicable legislation from time to time.

We were incorporated under the name “Vallehermoso Patrimonio, S.A.” for an indefinite term by means of a public deed executed on January 4, 2001, with an initial share capital of €18,607,331, divided into 18,607,331 ordinary shares with a par value of €1 each. Our share capital has been subject to certain changes over the past few years to accommodate our needs from time to time. A brief description of the most recent events in the history of our share capital is provided as follows.

On June 24, 2016, our sole shareholder at that time, TIRSA, adopted the reduction of the par value of our quota shares (*participaciones sociales*) from €1 to €0.01 each, without changing our share capital. Subsequently, our share capital was increased by €22,385,518.88, through the issuance of 2,238,551,888 new quota shares (*participaciones sociales*), with a par value of €0.01 each, and a premium of €0.00451384717690314 each. The new quota shares (*participaciones sociales*) were fully subscribed and paid-up by means of an in-kind contribution by our sole shareholder consisting of certain real estate assets, free and clear of any liens, charges or

encumbrances, except from those of urban nature. As a result, our share capital increased to €125,081,626.88, divided into 12,508,162,688 quota shares (*participaciones sociales*) of €0.01 par value each.

On the same date, we formalized the acquisition by the Company from our sole shareholder at that time (TIRSA) of 10,906,847,110 of our own quota shares (*participaciones sociales*) of €0.01 par value each, at an aggregate price of €160,697,125.94. The payment of the consideration for the acquisition of such quota shares (*participaciones sociales*) was made by offsetting certain credit rights owed by us *vis-à-vis* our sole shareholder (see “*Related Party Transactions—Transactions with the Significant Shareholders—Transactions with Merlin Properties—Acquisition of Treasury Shares from TIRSA, which Subsequently Merged with Merlin Properties*”). Such transaction was aimed to carry out a capital reduction through the redemption of the acquired quota shares (*participaciones sociales*). As such, we reduced our share capital by €109,068,471.10 through the redemption of all treasury quota shares (*participaciones sociales*) acquired. Our share capital decreased down to €16,013,155.78 and was then divided into 1,601,315,578 quota shares (*participaciones sociales*), with a par value of €0.01 each.

On July 29, 2016, we transformed from a limited liability company (“*sociedad limitada*”) into a corporation (*sociedad anónima*).

On October 20, 2016, as a result of Metrovacesa’s spin-off, the residential business unit of said company was contributed to our share capital. As a result of the in-kind contribution, our share capital was increased by €30,752,781.54, through the issuance of 3,075,278,154 new ordinary shares, with a par value of €0.01 and a premium of €0.133656923984379 each, which were assigned to Metrovacesa’s prior shareholders in proportion to their stake in such entity before the transaction. Thus, our share capital amounted to €46,765,937.32, divided into 4,676,593,732 ordinary shares, with a par value of €0.01 each, fully subscribed and paid-up.

Consequently, we ceased to be wholly-owned by Merlin Properties—which had previously merged with our prior sole shareholder, TIRSA, where the latter was absorbed by the former—, through the entry into our share capital of Metrovacesa’s prior shareholders, including, among others, some of the Significant Shareholders.

On March 7, 2017, pursuant to the general shareholders’ meeting of January 30, 2017, we increased our share capital in the amount of €52,218,170.98, through the issuance of 5,221,817,098 new ordinary shares, with a par value of €0.01 and a premium of €0.116339737215796 each, fully subscribed and paid-up by means of an in-kind contribution consisting of certain real estate assets by some of the Significant Shareholders, such as Banco Santander and BBVA as well as Banco Popular (currently, a Santander Entity) and by Constructora Inmobiliaria Urbanizadora Vasco-Aragonesa, S.A. (CIUVASA). As a result, our share capital was increased to €98,984,108.30, divided into 9,898,410,830 ordinary shares, with a par value of €0.01 each.

On January 30, 2017 our shareholders’ meeting approved a capital increase for a nominal amount of €25,525.02, through the issuance of 2,552,502 ordinary shares with a par value of €0.01 and a premium of €0.116339737215796 each, providing for incomplete subscription. The capital increase targeted our minority shareholders, as the shareholders representing 99.95% of our share capital prior to the transaction waived their pre-emptive subscription rights in connection with the issue. On March 30, 2017, upon the termination of the subscription period provided for in the terms and conditions of the issue, our Board of Directors executed the increase of our share capital by an amount of €2,374.07, through the issuance of 237,407 ordinary shares, with a par value of €0.01 and a premium of €0.116339737215796 each, which was formalized through a public deed dated May 24, 2017. As a result, our share capital was increased to €98,986,482.37, divided into 9,898,648,237 ordinary shares, with a par value of €0.01 each, fully subscribed and paid-up.

On September 25, 2017, we increased our share capital by €26,876,786.78, through the issuance of 2,687,678,678 ordinary shares, with a par value of €0.01 and a premium of €0.11694621348 each, fully subscribed and paid-up by means of in-kind contributions consisting of certain real estate assets by Acciona and RED II (see “*Related Party Transactions—Transactions with the Significant Shareholders—Acciona Investment Agreement*”). As such, our share capital was increased to €125,863,269.15, divided into 12,586,326,915 ordinary shares, with a par value of €0.01.

On March 26, 2018, our shareholders approved a capital increase aimed at offsetting the credit rights held by Merlin Properties as a result of the early termination of the Merlin Services Agreement, in an amount of €6,406,933.42, through the issuance of 640,693,342 new ordinary shares, with a par value of €0.01 and a premium of €0.130037800013383 each (based on our NAV as of December 31, 2017). Thus, our share capital was increased to €132,270,202.57, divided into 13,227,020,257 shares, with a par value of €0.01. See “*Related*

Party Transactions—Transactions with the Significant Shareholders—Transactions with Merlin Properties—Merlin Services Agreement”. The capital increase was formalized in a public deed on March 27, 2018.

On the same date, a 1-for-100 reverse split was approved by our Extraordinary General Shareholders’ Meeting, reducing the number of our ordinary shares from 13,227,020,257 to 132,270,202 ordinary shares. As part of the transaction, Altamira Santander Real Estate, S.A. (a Santander Entity), BBVA, Acciona and Merlin Properties, voluntarily and gratuitously, renounced the grouping of 21, 15, 11 and 10 shares owned by each of them, respectively. Consequently, we carried out a reduction of our share capital by €0.57 through the redemption of such 57 shares. As a result of the reverse split, every 100 ordinary shares of €0.01 par value were grouped into 1 ordinary share of €1 par value.

Additionally, we acquired the ordinary shares held by shareholders which, as a result of the reserve split, were not sufficient to obtain 1 new ordinary share, at a price equal to the NAV per share, rounding to the nearest cent of euro (€0.13) as of December 31, 2017. We carried out the acquisition of these shares, capped at 10% of our share capital, pursuant to the authorization granted by the Extraordinary General Shareholders’ Meeting and intend to hold the acquired own shares in treasury, subject to the limitations set out by Spanish Companies Act.

The reverse split was formalized in a public deed and registered with the Commercial Registry of Madrid on March 27, 2018.

The summary table below outlines these main changes in our share capital over the past years:

Date ¹	Corporate action	Date of registration with the Commercial Registry	Nominal value (€)	Share premium (€)	Number of issued/ redeemed shares	Total nominal amount (€)	Number of resulting shares	Resulting share capital (€)
June 24, 2016	Reduction of par value and capital increase	July 20, 2016	0.01	0.00451384717690314	2,238,551,888	22,385,518.88	12,508,162,688	125,081,626.88
June 24, 2016	Capital decrease	August 4, 2016	0.01	N/A	10,906,847,110	109,068,471.10	1,601,315,578	16,013,155.78
October 20, 2016	Capital increase	October 20, 2016	0.01	0.133656923984379	3,075,278,154	30,752,781.54	4,676,593,732	46,765,937.32
March 7, 2017	Capital increase	March 27, 2017	0.01	0.116339737215796	5,221,817,098	52,218,170.98	9,898,410,830	98,984,108.30
May 24, 2017	Capital increase	June 12, 2017	0.01	0.116339737215796	237,407	2,374.07	9,898,648,237	98,986,482.37
September 25, 2017	Capital increase	September 27, 2017	0.01	0.116946213484044	2,645,404,051	26,454,040.51	12,544,052,288	125,440,522.88
September 25, 2017	Capital increase	September 27, 2017	0.01	0.116946213484044	42,274,627	422,746.27	12,586,326,915	125,863,269.15
March 27, 2018	Capital increase	April 5, 2018	0.01	0.130037800013383	640,693,342	6,406,933.42	13,227,020,257	132,270,202.57
March 27, 2018	Reverse split	April 3, 2018	1	N/A	57 (redeemed)	132,270,202	132,270,202	132,270,202

⁽¹⁾ Date of the public deed.

Dividend and Liquidation Rights

Holders of our shares have the right to participate in distributions of our profits and proceeds from liquidation, proportionally to their stake in our share capital. However, there is no right to receive a minimum dividend.

Under the Spanish SOCIMI Regime, we are required to adopt resolutions for the annual distribution of dividends to our shareholders, subject to both the requirements under the SOCIMI Regime and the conditions set out in the Spanish corporate legislation, as described below. For a more comprehensive description of the dividends’ policy we are subject to pursuant to the SOCIMI Regime, see “*Dividends and 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 our shareholders at a general shareholders' meeting. Dividends paid by us are required to follow the distribution rule set out in the SOCIMI Regime. Holders of ordinary shares have the right to participate in such dividends from the date agreed by a general shareholders' meeting.

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 company's issued share capital. A company's legal reserve is not available for distribution to its shareholders except upon such company's liquidation. As of March 31, 2018, our legal reserve amounted to €3,203 thousand equivalent to approximately 2.5% of our share capital.

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 our issued share capital, and only if the value of our net worth is not, and as a result of distribution will not be, less than our share capital). Our distributable reserves as of March 31, 2018 amounted to €1,242 million.

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 our balance sheet. Accordingly, our ability to make a distribution to shareholders will depend on our ability to generate net profits in future periods in order to achieve sufficient distributable reserves.

In accordance with Article 947 of the Spanish Commercial Code, the right to a dividend lapses and reverts to us if it is not claimed within five years after it becomes payable.

We are 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 Non-Resident Income Tax that may apply. See *"Spanish SOCIMI Regime and Taxation Information"*.

In the event of our liquidation, our shareholders would be entitled to receive a liquidation settlement proportionately to their stake, after payment of our debts and all applicable taxes and expenses.

Without prejudice to our duties under the SOCIMI Regime, our ability to distribute dividends in the near future will depend on a number of factors, including (but not limited to) the amount of our distributable profits and reserves and our investment plans, earnings, level of profitability, cash flow generation, restrictions on payment of dividends under local applicable law (both on the Company and on any Group entity) and compliance with covenants in our debt instruments.

Shareholders' Meetings and Voting Rights

Pursuant to the Spanish Companies Act, ordinary annual general shareholders' meetings shall be held during the first six months of each year on a date to be fixed by the Board of Directors. Extraordinary general shareholders' meetings may be called by the Board of Directors whenever it deems appropriate, or at the request of shareholders representing at least 5% of our issued share capital. Notices of all general shareholders' meetings will be published on our website, at least one month's prior to the date when the meeting is to be held, with the exception of the situations described in the following paragraph.

Ordinary general shareholders' meetings will necessarily deliberate on the following matters: (i) the approval of our management carried out by the Board of Directors during the previous year, (ii) the approval of the financial statements from the previous year, and (iii) the application of the previous year's income or loss. All other corporate matters requiring shareholders' approval may be considered at either an extraordinary or an ordinary general shareholders' meeting, inasmuch as the relevant issue falls within the authority of the general shareholders' meeting and is included on its 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 our directors). The liability action against directors shall be brought by us pursuant to a general shareholders' meeting decision, which may be adopted at the request of any shareholder, even if not included on the agenda. A company's by-laws cannot require qualified majority for the adoption of such resolution. The general shareholders' meeting 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.

According to the Spanish Companies Act—and in addition to the matters referred to in the previous paragraph and any other matters as provided by law or our by-laws—the following matters fall within the authority of the general shareholders' meetings: (a) the appointment and removal of the members of the Board of Directors, our liquidators and our auditors, as well as the exercising of the corporate action for liability against any of them; (b) the amendment of our by-laws; (c) the increase or reduction of our share capital—or granting to the Board of Directors authority to increase our share capital—; (d) the exclusion or limitation of shareholders' pre-emptive subscription rights; (e) the acquisition, disposal or transfer of core assets to another company; (f) the transformation, merger, demerger or transfer of all of our assets and liabilities, or moving our registered offices abroad; (g) our dissolution and the approval of transactions that have the effect of winding up the Company; and (h) the approval of the final winding up balance sheet.

Also, the general shareholders' meetings shall vote separately on substantially independent matters. Even if included in the same item of the agenda, the following shall be voted separately: (i) the appointment, re-election, ratification or separation of directors; and (ii) in resolutions to amend our by-laws, each substantially independent article or group of articles.

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, 500 shares of the Company, five days prior to the day on which a general shareholders' meeting 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 shareholders' meeting 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 our by-laws, and are valid for a single general shareholders' meeting. Proxies may be given to any person, whether or not a shareholder. Proxies must specifically refer to the relevant general shareholders' meeting. 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.

Pursuant to our by-laws, the minimum required quorum for an ordinary or extraordinary general shareholders' meeting is 35% of our voting capital on first call and 30% of our voting capital on second call, in both cases attending either in person or by proxy. However, a resolution in a general shareholders' meeting to increase or decrease our share capital or otherwise modify our by-laws, issue bonds and securities whose competence is not legally attributed to any other of our corporate bodies, suppress or limit the pre-emptive subscription right over new shares, transform, merge, spin-off, globally assign our assets and liabilities, move our registered address abroad, requires attendance in person or by proxy of shareholders representing at least 50% of our voting capital on first call and attendance in person or by proxy of shareholders representing at least 30% of our voting capital on second call. In the case of attendance in person or by proxy of shareholders representing 50% or more of our voting capital, an absolute majority shall suffice to pass the aforementioned resolutions. On second call, and in the event that less than 50% of our voting capital attends in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing two-thirds of the attending share capital. The minimum required quorum for a general shareholders' meeting convened to adopt a resolution on cancelling the applicability of the SOCIMI Regime is 73% of our voting capital on first call and 71% of our voting capital on second call, either in person or by proxy. This resolution may be adopted with the favorable vote of 60% of our voting capital on first call and 58% of our voting capital on second call. Resolutions in all other cases are passed by a simple majority of the votes corresponding to the capital stock present or represented at such meeting. The interval between the first and the second call for a general shareholders' meeting must be at least 24 hours.

Under the Spanish Companies Act, shareholders who voluntarily aggregate their 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 to appoint the relevant proportion of the members of the Board of Directors (disregarding fractions), insofar as there are vacancies on the Board of Directors. Shareholders who exercise this right may not vote on the appointment of other directors.

A resolution passed at a general shareholders' meeting is binding on all shareholders, although a resolution which is (i) contrary to law or our by-laws or internal regulations, or (ii) prejudicial to our corporate interest and 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 our 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 right to contest would apply to shareholders who held such status at the time when the resolution was adopted (provided they hold at least 1.0% 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.

There are no provisions in our by-laws that would have an effect of delaying, deferring or preventing a change in control of the Company, except for the procedure described in "Registration and Transfers" below relating to the acquisition of more than 50% of our share capital.

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, we would be obliged to purchase the relevant shares at the price of the shares that is agreed between us 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.

Pre-emptive rights and Increases of Share Capital

Pursuant to our by-laws and the Spanish Companies Act, shareholders have pre-emptive rights to subscribe for any new shares issued against cash contributions and for any new bonds convertible into shares. Such pre-emptive rights may be excluded when so required to safeguard the corporate interest under special circumstances by a resolution passed at a general shareholders' meeting, in accordance with Articles 308 and 417 of the Spanish Companies Act. As of the date hereof, we have neither convertible nor exchangeable bonds outstanding and have not issued any warrants over our shares.

Also, holders of 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.

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 our shareholders to issue new ordinary shares up to 35% of our 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 our 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 our 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 35% of our 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 our 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 10% of our share capital.

As of the date of this Informational Document, there are no acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital and there are no members of the group, the share capital of which is under option or agreed conditionally or unconditionally to be put under option.

Shareholder Actions

Under the Spanish Companies Act, directors are liable to us, our shareholders and creditors for their acts or omissions that are illegal or violate the by-laws and for failure to carry out their legal duties with diligence. When in violation of the law or of our by-laws, 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 and 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 our registered address (currently in the city of Madrid, Spain).

Registration and Transfers

Our shares are in registered book-entry (*anotaciones en cuenta*) form and are indivisible. Joint holders of one share must designate a single person to exercise their shareholders' rights, but they are jointly and severally (*solidariamente*) liable to us for all the obligations arising from their status as shareholders. Iberclear maintains the central registry reflecting the number of shares held by each of its member entities (*entidades participantes*). Each member entity, in turn, maintains a registry of the owners of such shares.

Our shares are freely transferable in accordance with the Spanish Companies Act, the LMV, MAB Circular 9/2017 and any implementing regulation (however, see "*Significant Shareholders—Shareholders' agreement*" for a description of the contractual restrictions on the free transferability of the Selling Shareholder's Shares).

Nevertheless, in accordance with Article Second 1.7 of MAB Circular 9/2017, on the date on which the listing of the shares of Testa on the MAB takes place our Significant Shareholders, directors and top managers will acquire the commitment not to sell their shares in the Company and not to effect transactions equivalent to sales of shares for a period of twelve months. According to the mentioned Article Second 1.7, shares made available to the Liquidity Provider by our Significant Shareholders are exempted from such commitment.

The above notwithstanding, our Significant Shareholders have expressly stated that they may decide to divest or transfer their shareholding interest in Testa (totally or partially) within the referred twelve months' period in connection with (i) a potential offering of shares of the Company in the context of the admission to trading of the shares of Testa on the Spanish Stock Exchanges; (ii) transfers of shares among each Significant Shareholder and its respective affiliated entities (within the meaning of article 5 of the LMV), including, without limitation, by way of sales or purchases, capital refunds to shareholders or mergers, spin-offs, liquidations and, in general, by any other type of corporate restructuring transactions; (iii) an eventual takeover bid over the Company's share capital; or (iv) if Testa or any of the Significant Shareholders, as the case may be, identifies potential investors interested in acquiring a significant shareholding interest in the Company. In such cases, our Significant Shareholders will be able to execute such divestments or transfers in connection with their shares in Testa accordingly.

Pursuant to our by-laws and in accordance with MAB Circular 9/2017, any shareholders that seek to acquire a stake of over 50% of our share capital must make a simultaneous offer, subject to the same terms and conditions, to all our remaining shareholders. Additionally, any shareholder that receives an offer to purchase her shares of the Company from any other shareholder or third-party that from the context of said offering, nature of the offeror or any other concurring circumstances, could reasonably lead him to infer that, following said acquisition, the offeror may acquire a stake in the Company of over 50% of our share capital, may only transfer her shares if the potential acquiror certifies that a simultaneous offer, subject to the same terms and conditions, has been made to all our remaining shareholders.

As a general rule, transfers of shares quoted on the MAB must be made through or with the participation of a member of the MAB. Brokerage firms, official stock brokers or dealer firms, Spanish credit entities, investment services entities authorized in other EU member states and investment services entities authorized by their

relevant authorities and in compliance with the Spanish regulations are eligible to be members of MAB. Transfer of shares quoted on the MAB may be subject to certain fees and expenses.

Restrictions on Foreign Investment

Exchange controls and foreign investments were, with certain exceptions, completely liberalized by Royal Decree 664/1999, of April 23 (*Real Decreto 664/1999, de 23 de abril*), which was approved in conjunction with Law 18/1992, of July 1 (the “**Spanish Foreign Investment Law**”), bringing the existing legal framework on foreign investments in line with the provisions of the Treaty of the EU.

According to regulations adopted under the Spanish Foreign Investment Law, and subject to the restrictions described below, foreign investors may freely invest in shares of Spanish companies as well as transfer invested capital, capital gains and dividends out of Spain without limitation (subject to applicable taxes and exchange controls). Foreign investors who are not resident in a tax haven are only required to file a notification with the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments (*Dirección General de Comercio e Inversiones*) within the Ministry of Economy, Industry and Competitiveness (*Ministerio de Economía, Industria y Competitividad*) following an investment or divestiture, if any, solely for statistical, economic and administrative purposes.

If the foreign investor is a resident of a tax haven, as defined under Spanish law (Royal Decree 1080/1991, of July 5), notice must be provided to the Registry of Foreign Investments prior to making the investment, as well as after consummating the transaction. However, prior notification is not necessary in the following cases:

- (i) investments in listed securities, whether or not trading on an official secondary market;
- (ii) investments in participations in investment funds registered with the CNMV; and
- (iii) foreign shareholdings that do not exceed 50% of the capital of the Spanish company in which the investment is made.

Additional regulations to those described above apply to investments in some specific industries, including air transportation, mining, manufacturing and sales of weapons and explosives for civil use and national defense, radio, television, telecommunications and gambling. These restrictions do not apply to investments made by EU residents, other than investments by EU residents in activities relating to the Spanish defense sector or the manufacturing and sale of weapons and explosives for non-military use.

The Spanish Council of Ministers (*Consejo de Ministros*), acting on the recommendation of the Ministry of Economy, Industry and Competitiveness, may suspend the aforementioned provisions relating to foreign investments for reasons of public policy, health or safety, either generally or in respect of investments in specified industries, in which case any proposed foreign investments falling within the scope of such a suspension would be subject to prior authorization from the Spanish government, acting on the recommendation of the Ministry of Economy, Industry and Competitiveness.

Law 19/2003, of July 4, on the establishment of a regulatory regime relating to capital flows to and from legal or natural persons abroad and the prevention of money laundering (“**Law 19/2003**”), generally provides for the liberalization of the regulatory environment with respect to acts, businesses, transactions and other operations between Spanish residents and non-residents in respect of which charges or payments abroad will occur, as well as money transfers, variations in accounts or financial debit or credits abroad. These operations must be reported to the Ministry of the Economy, Industry and Competitiveness and the Bank of Spain only for informational and statistical purposes. The most important developments resulting from Law 19/2003 are the obligations on financial intermediaries to provide to the Spanish Ministry of Economy, Industry and Competitiveness and the Bank of Spain information corresponding to client transactions.

Exchange Control Regulations

Pursuant to Royal Decree 1816/1991, of December 20, relating to economic transactions with non-residents as amended by Royal Decree 1360/2011 of October 7, and EC Directive 88/361/EEC, charges, payments or transfers between non-residents and residents of Spain must be made through a registered entity, such as a bank or another financial institution registered with the Bank of Spain and/or the CNMV (*entidades registradas*), through bank accounts opened abroad with a foreign bank or a foreign branch of a registered entity, in cash or by

check payable to bearer. All charges, payments or transfers which exceed €6,010 (or its equivalent in another currency), if made in cash or by check payable to bearer, must be notified to the Spanish exchange control authorities.

Reporting Requirements

Pursuant to our by-laws and in accordance with MAB Circular 9/2017, any shareholder must give notice to our Board of Directors of any acquisition of ordinary shares which results in such shareholder reaching, exceeding or descending from a 5% or successive multiple of 5% stake of our share capital. Similarly, all members of our Board of Directors and our senior management must give notice to our Board of Directors of any acquisition of ordinary shares which results in such director or senior manager reaching, exceeding or descending from a 1% or successive multiple of 1% stake of our share capital. The notification must be served within four business days from the date on which the individual or legal entity acknowledged or should have acknowledged the circumstances that generate the obligation to notify. We shall promptly notify the MAB of any significant shareholding that we know and, within ten days from the end of each natural semester, we shall submit to the MAB a list of all our shareholders and directors and senior managers holding at least 5% and 1%, respectively, of our share capital to the extent we know such holdings.

In addition, pursuant to Article 19 of the MAR and our Internal Code of Conduct in Securities Markets, persons discharging managerial responsibilities and any persons having a close link (*vínculo estrecho*) with any of them must similarly report to us and the MAB any acquisition or disposal of our shares, derivative or financial instruments linked to our shares within three business days after the date of the transaction is made, provided that transactions carried out by the relevant person within the calendar year reach €5,000 in aggregate. The notification of the transaction must include particulars of, among others, the type of transaction, the date of the transaction and the market in which the transactions were carried out, the number of shares traded and the price paid.

Disclosure of Shareholders' Agreements

Pursuant to our by-laws and in accordance with MAB Circular 9/2017, shareholders must disclose certain types of shareholders' agreements that affect the exercise of voting rights at a general shareholders' meeting or contain restrictions or conditions on the transferability of shares.

If our shareholders enter into such agreements with respect to our shares, they must disclose the execution, amendment or extension of such agreements to us within the maximum term of four business days following that on which the event triggering the notification obligation occurred. Once said notification is made we will publish it in accordance with the provisions of the MAB regulations.

Our Significant Shareholders entered into the Shareholders' Agreement on September 20, 2017, aiming at regulating the process of carrying out the listing of our shares, whereby they set out certain restrictions on the free transferability of our shares after the offering of our Shares in the Spanish Stock Exchanges is completed. See "*Significant Shareholders—Shareholders' agreement*".

Delisting from trading on MAB

Pursuant to our by-laws and in accordance with MAB Circular 9/2017, from the moment our Shares are admitted to listing on the MAB, should a resolution be passed by our shareholders' meeting on the delisting of our Shares from trading on the MAB that is not supported by all our shareholders, the Company must offer to acquire the Shares of any dissenting shareholder at the price set forth pursuant to applicable Spanish regulation on tender offers for delisting purposes.

The Company will not be subject to the previous obligation if simultaneously to the aforementioned resolution an additional resolution is passed for the admission to listing of its Shares on the Spanish Stock Exchanges.

Net Short Positions

In accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps ("**Regulation 236/2012**") (as further supplemented by several delegated regulations regulating technical aspects necessary for its effective enforceability and to ensure compliance with its provisions), net short positions on shares listed on the MAB

equal to, or in excess of, 0.2% of the relevant issuer's share capital and any increases or reductions thereof by 0.1% are required to be disclosed to the CNMV. If the net short position reaches 0.5%, and also at every 0.1% above that, the CNMV will disclose the net short position to the public. Regulation 236/2012 restricts uncovered short sales in shares, providing that a natural or legal person may enter into a short sale of a share admitted to trading on a trading venue only where one of the conditions established in Article 12 of the referred Regulation has been fulfilled.

The notification or disclosure mentioned above shall be made no later than at 15:30 (CET) on the following trading day.

Notification is mandatory even if the same position has been already notified to the CNMV in compliance with transparency obligations previously in force in that jurisdiction.

The information to be disclosed is set out in Table 1 of Annex I of Delegated Regulation 826/2012, according to the format approved as Annex II of this Regulation. The information will be published, where appropriate, on a web page operated or supervised by the CNMV.

Moreover, pursuant to Regulation 236/2012, where the CNMV considers that (i) there are adverse events or developments that constitute a serious threat to financial stability or to market confidence (serious financial, monetary or budgetary problems, which may lead to financial instability, unusual volatility causing significant downward spirals in any financial instrument, etc.); and (ii) the measure is necessary and will not be disproportionately detrimental to the efficiency of financial markets in view of the advantages sought, it may, following consultation with the European Securities and Markets Authority ("ESMA"), take any one or more of the following measures:

- (i) impose additional notification obligations by either (a) reducing the thresholds for the notification of net short positions in relation to one or several specific financial instruments; and/or (b) requesting the parties involved in the lending of a specific financial instrument to notify any change in the fees requested for such lending; and
- (ii) restrict short selling activity by either prohibiting or imposing conditions on short selling.

In addition, according to Regulation 236/2012, where the price of a financial instrument has fallen significantly during a single day in relation to the closing price on the previous trading day (10% or more in the case of a liquid share), the CNMV may prohibit or restrict short selling of financial instruments for a period not exceeding the end of the trading day following the trading day on which the fall in price occurs.

Finally, Regulation 236/2012 also vests powers to ESMA in order to take measures similar to the ones described above in exceptional circumstances, when the aim of these measures is to deal with a threat affecting several EU member states when the competent authorities of such member states have not taken adequate measures to address it.

Share Repurchases and treasury stock

Pursuant to the Spanish Companies Act, we may only repurchase our own shares within certain limits and in compliance with the following requirements:

- (i) the repurchase must be authorized by the general shareholders' meeting in a resolution establishing the maximum number of shares to be acquired, the titles for the acquisition, the minimum and maximum acquisition price and the duration of the authorization, which may not exceed five years from the date of the resolution;
- (ii) the repurchase, including the shares already acquired and currently held by us, or any person or company acting in its own name but on our behalf, must not bring our net worth below the aggregate amount of our share capital and legal or non-distributable by-laws' reserves. For these purposes, net worth means the amount resulting from the application of the criteria used to draw up the financial statements, subtracting the amount of profits directly allocated to such net worth, and adding the amount of share capital subscribed but not called and the share capital par value and issue premium recorded in our accounts as liabilities;

- (iii) the aggregate par value of the ordinary shares directly or indirectly repurchased, together with the aggregate par value of the ordinary shares already held by us, must not exceed 20% of our share capital; and
- (iv) shares repurchased for valuable consideration must be fully paid-up. A repurchase shall be considered null and void if (i) the shares are partially paid-up, except in the case of free repurchase, or (ii) the shares entail ancillary obligations.

The voting rights and other political rights of treasury shares are suspended. Additionally, the economic rights (for example, the right to receive dividends and other distributions and liquidation rights), except the right to receive bonus shares, will accrue proportionately to all of our shareholders. Treasury shares are counted for purposes of establishing the quorum for general shareholders' meetings as well as majority voting requirements to pass resolutions at general shareholders' meetings.

The MAR establishes rules in order to ensure the integrity of European Community financial markets and to enhance investor confidence in those markets. This regulation maintains an exemption from the insider dealing and market manipulation rules regarding share buy-back programs by companies listed on a multilateral trading facility in an EU member state. Commission Delegated Regulation (EU) 2016/1052, of March 8, 2016, implements the MAR with regard to the regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures. According to the provisions included in the Regulation 2016/1052, in order to benefit from the exemption, an issuer implementing a buy-back program must comply with the following requirements:

- (i) Prior to the start of trading in a buy-back program, the issuer must ensure the adequate disclosure of the following information:
 - (a) the purpose of the program. According to Article 5.2 of the MAR, the buy-back program must have as its sole purpose (a) to reduce the capital of the issuer; (b) to meet obligations arising from debt financial instruments convertible into equity instruments; or (c) to meet obligations arising from share option programs, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company;
 - (b) the maximum pecuniary amount allocated to the program;
 - (c) the maximum number of shares to be acquired; and
 - (d) the period for which authorization for the program has been granted.
- (ii) The issuer must ensure that the transactions relating to the buy-back program meet the conditions included on Article 3 of the Regulation 2016/1052, which include the condition that the purchase price is not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out. Furthermore, issuers must not purchase on any trading day more than 25% of the average daily volume of shares on the corresponding trading venue.
- (iii) Issuers shall not, for the duration of the buy-back program, engage on (a) selling of own shares; (b) trading during the closed periods referred to in Article 19.11 of the MAR; and (c) trading where the issuer has decided to delay the public disclosure of inside information.

MAB Circular 7/2017, of December 20, 2017 sets out the obligation of all companies with shares listed thereon to enter into a liquidity contract with an investment firm or a financial entity that is a market participant, who shall act as liquidity provider in order to ensure a sufficiently frequent negotiation and to decrease price variations not arisen from the market's own trends. See "*Liquidity Provider with which it has entered into the relevant liquidity agreement and brief description of its function*" below.

Moreover, pursuant to Spanish Companies Act, the notes to the financial statements of a company must include a reference to any treasury shares.

As of the date of this Informational Document, we own 613,773 treasury shares (*autocartera*), of which 21,646 shares has been provided to the Liquidity Provider and 82,290 shares will serve as consideration of the merger with Coto. In addition, the Company has entered into a share purchase agreement affecting 9,854 additional shares, which purchase is expected to executed by July 24, 2018.

The Board of Directors has been authorized by our shareholders for the derivative acquisition of treasury shares according to and within the restrictions and requirements established in the Spanish Companies Act. The authorization to acquire own shares is limited to 10% of our share capital, must be carried out within the minimum and maximum authorized price range and will expire upon the holding of the General Shareholders' Meeting of 2020.

INDEPENDENT AUDITORS

The Unaudited Interim Condensed Consolidated Financial Statements of Testa Residencial, SOCIMI, S.A., as of and for the three months ended March 31, 2018, included as an annex to this Informational Document, have been subject to a limited review by Deloitte, S.L., with its address for these purposes at Plaza Pablo Ruiz Picasso 1, Madrid (Spain), holder of tax identification number B-79104469 and registered with the Official Registry of Accounting Auditors (ROAC) under the number S0692 and in the Commercial Registry of Madrid under volume 13,650, section 8, page 188, sheet M-54414 and registration 96, independent auditors.

The 2017 Consolidated Financial Statements of Testa Residencial, SOCIMI, S.A., as well as the 2017 Individual Financial Statements of Testa Residencial, SOCIMI, S.A., both included as annexes to this Informational Document, have also been audited by Deloitte, S.L., with the same identification details as above.

The 2016 Individual Financial Statements of Testa Residencial, SOCIMI, S.A., included as an annex to this Informational Document, have also been audited by Deloitte, S.L., with the same identification details as above.

Deloitte, S.L. was appointed as our auditor on September 15, 2016 to cover the 2016, 2017 and 2018 financial years. Deloitte, S.L. has not resigned, been removed or not reappointed as our independent auditors since our incorporation or otherwise, prior to the date of this Informational Document.

SPANISH SOCIMI REGIME AND TAXATION INFORMATION

The following summary is a general description of the tax regime applicable to us and, in particular, of the Spanish real estate investment trust (*Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*) (“**SOCIMI**”) regime and specific Spanish and U.S. tax implications of the acquisition, ownership and disposition of the shares. The information provided below does not constitute tax advice and does not purport to be a complete analysis of all tax considerations relating to us and the shares, as applicable, whether in Spain or elsewhere. This section does not address all possible tax consequences of the transactions applicable to all categories of shareholders, some of which (e.g., look-through entities, financial institutions, collective investment schemes, cooperatives, etc.) may 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 of the acquisition, holding and disposition of the shares under the tax law of their country of tax residence and the Spanish tax law in light of their particular circumstances, as well as any implications arising under the laws of any other jurisdiction.

This summary is based upon the law in Spain as in effect on the date of this Informational Document and on the administrative interpretations thereof made public to date. As a result, this description is subject to any changes in such law or interpretations occurring after the date hereof, including changes having retroactive effect.

Spanish SOCIMI Regime

The following section is a general summary of our understanding of the Spanish legal regime applicable to the SOCIMI which is currently in effect (“**SOCIMI Regime**”). The SOCIMI Regime was enacted originally in October 2009 by Spanish Law 11/2009, of October 26 (*Ley 11/2009, de 26 de octubre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*) and was amended at the end of 2012 by Law 16/2012, of December 27. The amendments introduced in 2012 provided a general improvement of the regime and facilitated the incorporation of the first SOCIMI during the second half of 2013. The Spanish General Directorate of Taxes (“**GDT**”) has issued several binding rulings with the aim at facilitating the interpretation of the SOCIMI Regime. This guidance will likely continue to be developed by the GDT in the future as the regime becomes more prevalent.

Overview

The SOCIMI Regime is intended to attract new investments in the Spanish real estate rental market. It follows similar legislation adopted in the United Kingdom and other European countries, as well as in the United States in connection with the long-established real estate investment trusts regime. The primary aims of these regimes are (i) to minimize tax inefficiency of holding real estate through corporate ownership by removing corporate taxation at the level of the SOCIMI, and at the same time, (ii) to promote rental activities and professional management of the real estate business. Provided certain conditions and tests are satisfied (see “*Qualification as Spanish SOCIMI*” below), a SOCIMI is generally not effectively taxed by Spanish Corporate Income Tax (“**CIT**”) on the profits deriving from its activities – it is subject to a 0% CIT rate—. Instead, profits must be mandatorily distributed (see “*Qualification as Spanish SOCIMI—Mandatory dividend distribution*” below) and such income may then be subject to taxation.

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’ shares must be listed on a regulated market or multilateral trading facility in Spain, 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 which has been in force for the entire tax period. The trading requirement shall be met uninterruptedly throughout the CIT years in which the special SOCIMI Regime applies.

Purpose of the SOCIMI and minimum share capital

SOCIMIs shall be incorporated as public limited companies (*sociedad anónima*), with a minimum share capital of €5 million. Furthermore, SOCIMI's shares shall be in registered and nominative form. It is solely permitted the creation of one single class of shares.

The main corporate purpose of the SOCIMI shall be:

- (i) the acquisition, development and refurbishment of urban real estate for rental purposes;
- (ii) the holding of interests in the share capital or assets of: (a) other SOCIMIs; (b) real estate investment trusts or companies (REITs) that have the same corporate purpose of a SOCIMI and that shall be subject to a similar dividend distribution regime, (c) unlisted Spanish resident or non-Spanish resident entities wholly owned by a SOCIMI (or REIT), which have as their main corporate purpose the acquisition of urban real estate assets for their lease and which are governed by the same regime established for SOCIMIs as regards legal or statutory mandatory profit distribution and investment policies and that do not hold interests in other companies ((a), (b) and (c) jointly referred as “**Qualifying Subsidiaries**”); or
- (iii) the holding of shares in real estate collective investment funds (*Instituciones de Inversión Colectiva Inmobiliarias*) pursuant to Law 35/2003 (“**IICIs**”).

As concerns IICIs and Qualifying Subsidiaries, it is irrelevant whether they are resident in Spain or in a foreign country or territory, provided that such foreign country or territory has signed a tax information exchange agreement with Spain.

SOCIMIs are allowed to conduct other ancillary activities that do not fall within the scope of their main corporate purpose. However, such ancillary activities must not represent more than 20% of the total assets or 20% of the total income of the SOCIMI in each tax year, in accordance with the minimum qualifying assets and qualifying income tests and requirements described below.

Restrictions on investments

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

- (i) urban property to be leased and land plots acquired for 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 of the land plot (“**Qualifying Real Estate**” and together with Qualifying Subsidiaries, “**Qualifying Assets**”);
- (ii) shares in Qualifying Subsidiaries (see “*Purpose of the SOCIMI and minimum share capital*” above); or
- (iii) shares or interests in IICIs.

In the event that the Qualifying Real Estate is not located in Spain, these assets must be analogous in nature to Spanish Qualifying Real Estate (e.g., they must be urban property) and must be placed in a country or territory that has signed an effective tax information exchange agreement with Spain. In addition, properties engaged in financial leases are not Qualifying Real Estate.

The GDT has stated that the assets should be determined on a gross basis, disregarding depreciation or impairments, in accordance with the Spanish General Accounting Plan (*Plan General de Contabilidad*), as approved by Royal Decree of November 16, 2007, which sets forth the Spanish generally accepted accounting principles (“**Spanish GAAP**”).

In the event that a SOCIMI is the parent company of a group of companies, as defined by Spanish corporate legislation, the calculation of this 80% threshold shall be made on a consolidated basis according to Spanish GAAP. For these purposes, the group of companies should be composed exclusively by SOCIMIs and other Qualifying Subsidiaries described in “*Purpose of the SOCIMI and 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, or from dividends distributed by Qualifying Subsidiaries and IICIs (as described under headings "*Restrictions on investments*" and "*Purpose of the SOCIMI and minimum share capital*" above).

The GDT considers that the annual income should be calculated on a net basis, considering direct income expenses and a pro-rata portion of general and indirect expenses. These concepts should be calculated in accordance with Spanish GAAP, subject to any applicable tax adjustments (upwards and downwards) as set out in Spanish Law 27/2014, of November 27 (*Ley 27/2014, de 27 de noviembre, del Impuesto sobre Sociedades*), the Spanish corporate income tax law, without prejudice to the special provisions of the SOCIMI Regime.

Lease agreements between entities within the same group of companies, as defined by Spanish corporate legislation, would not be deemed a qualifying activity and therefore, the rent deriving from such agreements must not exceed 20% of a SOCIMI's income.

Capital gains derived from the sale of Qualifying Assets are in principle excluded from the 80% net income test. However, if Qualifying Assets or shares or interests in IICIs are sold before the minimum holding period (as described below) has elapsed, then (i) such capital gain would compute as non-qualifying revenue for the purposes of the SOCIMI Regime; (ii) all income derived from (along with capital gains arising from the transfer of) Qualifying Real Estate in all tax periods in which the SOCIMI's special tax regime would have been applicable would be taxed in accordance with the general CIT regime and at the general CIT rate (currently 25%); and (iii) all income derived from (along with capital gains arising from the transfer of) Qualifying Subsidiaries and IICIs would be taxed in accordance with the general CIT regime.

Minimum holding period

Qualifying Assets and shares and interests in IICIs must be held by a SOCIMI for a three-year period as from (i) the first time the real estate asset has been offered for lease by the SOCIMI, if the real estate asset was acquired or developed by us after becoming a SOCIMI; or (ii) the first day of the year when the company became a SOCIMI if the asset was held by the company before it obtained the SOCIMI status. In case of urban real estate, the holding period requires that these assets are actually rented for at least three years; for the purpose of this calculation the time the asset has been offered in the market shall be included up to a maximum of one year.

In addition, SOCIMIs benefit from the application of a 95% Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*) relief in relation to the acquisition of residential real estate assets intended for letting (or plots of land for the development of housing intended for letting), provided that, in both cases, the minimum holding period of such assets referred to above is complied with.

Mandatory dividend distribution

Under the Spanish SOCIMI Regime, a SOCIMI will be required to adopt resolutions for the annual distribution of dividends, in compliance with the conditions set out in the Spanish corporate legislation, to shareholders within the six months following the closing of the fiscal year. The dividends distributed shall amount to:

- (i) at least 50% of the profits derived from the transfer of real estate properties, Qualifying Subsidiaries and shares and interests in IICIs, provided that the transfer has been executed once the minimum holding period described below has elapsed; the remaining profits must be reinvested in other real estate properties or similar shareholdings within a maximum period of three years from the date of the transfer or, otherwise, 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 IICIs; and
- (iii) at least 80% of all other profits obtained (i.e., profits derived from lease and ancillary activities).

If the specific resolutions for the dividend distribution were not adopted in a timely manner, or the company fails to pay (totally or partially) the corresponding dividends, the SOCIMI would lose its SOCIMI status in respect of the year to which the dividends should have been distributed.

Dividends must be paid within the month following the distribution agreement.

In addition, according to the SOCIMI Regime (i) the SOCIMI legal reserve may not exceed 20% of the share capital of the SOCIMI; and (ii) the SOCIMI's by-laws may not establish any reserve that is not available for distribution to its shareholders other than the legal reserve.

Leverage

A SOCIMI is not subject to specific limitations on the holding of indebtedness. Limitations imposed by the CIT legislation to e.g. the deductibility of financial expenses or other deduction restrictions apply to SOCIMI. However, these limitations do not generally have impact on them as long as the SOCIMI is taxed at a 0% CIT rate and the SOCIMI Regime requirements are met.

Sanctions

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

- (i) Delisting.
- (ii) Substantial failure to comply with its information and reporting obligations under the SOCIMI Regime, unless such failure is remedied by preparing fully compliant annual accounts (with their notes) which contain the specific required information for these purposes in the following year.
- (iii) 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 that should have been distributed were obtained.
- (iv) Waiver of the SOCIMI Regime by the company.
- (v) Failure to meet any of the other requirements established in the SOCIMI Regime unless such failure is remedied within the following fiscal year. However, the failure to observe the minimum holding period of Qualifying Assets and shares and interests in IICIs would not imply the loss of the SOCIMI status, but (i) such capital gain would compute as non-qualifying revenue for the purposes of the SOCIMI Regime; (ii) all income derived from (along with capital gains arising from the transfer of) Qualifying Real Estate in all tax periods in which the SOCIMI's special tax regime would have been applicable would be taxed in accordance with the general CIT regime and at the general CIT rate (currently 25%); and (iii) all income derived from (along with capital gains arising from the transfer of) Qualifying Subsidiaries and IICIs would be taxed in accordance with the general CIT regime.

Should we lose our SOCIMI status, we would not be eligible to apply for the SOCIMI Regime for three years. In such case, we would have to pay CIT at the regular rate (currently 25%). 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 €1,500 and €30,000 are established depending on the information not provided.

Spanish Tax Considerations

Spanish corporate income taxation of entities qualifying for the SOCIMI Regime

SOCIMIs and Spanish-resident Qualifying Subsidiaries may opt to apply the SOCIMI Regime. The election to apply for 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 tax year when the SOCIMI Regime is expected to apply. Such election will remain applicable until the company waives the SOCIMI Regime or loses its status. We have opted and are currently entitled to the SOCIMI Regime.

An entity eligible for the SOCIMI Regime may apply for the special tax regime even if such entity does not satisfy all the eligibility requirements when the option is made, provided that it meets such requirements within two years (as from the date when the election is filed with the Spanish tax authorities). However, there are three

conditions that must be complied with so the option can be made: (i) the obligation to carry out mandatory dividend distributions on an annual basis, as indicated in the SOCIMI Regime, (ii) the corporate purpose of the SOCIMI and (iii) the registered form (*nominativas*) of the shares.

Generally, all income received by a SOCIMI is taxed under Spanish CIT at a 0% rate. Nevertheless, any rent 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%).

In addition, the portion of the capital gain derived from the transfer of Qualifying Assets generated before the date in which the SOCIMI applied the SOCIMI Regime, will be subject to the general CIT regime and rate (currently, 25%). To that end, the allocation of the portion of the capital gain which is generated before and on or after the SOCIMI Regime applied will be carried out *prorata temporis*, unless a different allocation of the capital gain is evidenced by the taxpayer or the Spanish tax authorities. The reversion of specific CIT adjustments that are generated before the application of the SOCIMI Regime are also taxed pursuant to the general CIT regime and rate (currently, 25%), in accordance with the rules applicable under the SOCIMI Regime (as interpreted by the GDT).

Furthermore, a special levy applies to dividends paid by the SOCIMI to domestic or foreign Substantial Shareholders. The SOCIMI must assess and pay a 19% CIT in respect of gross dividends distributed if the beneficiary of the dividends: (i) holds at least 5% of the shares in the SOCIMI, and the dividends received are either exempt from tax or subject to tax at a rate lower than 10% (“**Substantial Shareholders**”) or (ii) if the Substantial Shareholder does not timely provide us with enough evidence that dividends received from us are taxed at a rate equal to or higher than 10% (“**10% Test**”). Special rules apply to REITs participating in SOCIMI for these purposes.

The GDT issued two binding rulings (CV3308-14 and CV0323-15) indicating that the 10% Test should be determined on the basis of the tax liability arising from the dividend income considered individually, taking into account (i) exemptions and tax credits affecting the dividends received by the shareholder, and (ii) 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 considered. In addition, the GDT has confirmed that the withholding tax levied on a dividend payment (including any Spanish Non-Resident Income tax 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 us and therefore it will reduce the profits to be distributed to shareholders. The by-laws contain indemnity obligations from Substantial Shareholders in our favor designed to discourage the possibility that dividends may become payable to Substantial Shareholders who do not meet the 10% Test. If a dividend payment is made to a Substantial Shareholder, we will be entitled to deduct an amount equivalent to the tax expenses incurred by us 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 not put us in a better 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 individual shareholder of a SOCIMI in the form of dividends, shares in profits, consideration paid for attendance at shareholders’ meetings, 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 must be reduced by any administration and custody expenses (but not by those incurred in individualized portfolio management); the net amount must be included in the relevant Spanish shareholder’s savings taxable base. The savings taxable base rates are 19% for taxable income up to €6,000; 21% for taxable income between €6,000.01 and €50,000 and 23% for taxable income in excess of €50,000. No exemptions are allowed.

The payment to Spanish individual shareholders of dividends or any other distribution made by us shall be subject to a withholding tax at the rate of 19%. Such withholding tax is creditable from the PIT payable. 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 individual shareholder as a result of the transfer of ordinary shares in the Company 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 must be the difference between the shares' acquisition value (plus any fees or taxes incurred) and the transfer value.

Where the taxpayer owns other securities of the same kind, the acquisition price of the transferred shares is based on the principle that those acquired first are sold first (FIFO).

Capital gains or losses arising from the transfer of the shares held by a Spanish individual shareholder are included in such shareholder's savings taxable base corresponding to the period when the transfer takes place. Any gain resulting from such compensation is taxed at a flat rate of 19% for taxable income up to €6,000; 21% for taxable income between €6,000.01 and €50,000 and 23% for taxable income in excess of €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

Spanish individual shareholders are subject to Spanish Wealth Tax on all their assets (such as the Shares). Spanish Wealth Tax Law (*Ley 19/1991, de 6 de junio, del Impuesto sobre el Patrimonio*) provides that the first €700,000 of net wealth owned by a Spanish individual shareholder will be exempt from taxation, while the rest of the net wealth will be taxed at a rate ranging between 0.2% and 2.5%. This may vary depending on the Spanish autonomous region of residency of the taxpayer.

However, in accordance with article 73 of the Law 6/2018 of 3 July which approves the Spanish General Budget for year 2018 (*Ley 6/2018, de 3 de julio, de Presupuestos Generales del Estado para el año 2018*), as from year 2019 and onwards, a full exemption on Spanish Wealth Tax would apply (*bonificación del 100%*) being the taxpayers released from formal and filing obligations in relation to this Spanish Wealth Tax. Therefore, no Spanish wealth tax should be applied on the holding of the Shares as from year 2019 unless the application of the full exemption is postponed.

Spanish Inheritance and Gift Tax

Individuals resident in Spain for tax purposes who acquire the 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 Spanish Autonomous Region. The effective tax rate, after applying all relevant factors, ranges from 0% to 81.6% depending on relevant factors (such as the specific regulations imposed by each Spanish Autonomous Region, the amount of the pre-existing assets of the taxpayer and the kinship with the deceased or the donor). Some tax benefits could reduce the effective tax rate.

Spanish Transfer Tax

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

Spanish corporate resident shareholders

Taxation on dividends

Dividends from a share of the Company's profits received by Spanish resident corporate shareholders, less any CIT deductible expenses inherent to holding the shares, must be included in the CIT taxable base. The general

CIT tax rate is currently 25% (this rate is 30% for credit institutions). No exemptions or tax credits for the avoidance of double taxation apply on this income.

As a general rule, dividends distributed by us to our shareholders which are CIT-payers are subject to withholding tax at a 19% rate. Such withholding tax will be deductible from the net CIT 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 shares or from any other change in net worth relating to shares shall be included in the taxable base of CIT taxpayers. Such gain will be taxed at the general tax rate of 25% (this rate is 30% for credit institutions). No exemptions or tax credits for the avoidance of double taxation are allowed.

Capital gains deriving from the disposal of shares will not be subject to withholding tax on account of CIT.

Spanish Wealth Tax

Spanish-resident corporations are not subject to Spanish wealth tax.

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 Transfer Tax

The acquisition and transfers of the shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such transactions.

Non-Spanish shareholders

Non-Spanish tax resident shareholders acting through a permanent establishment in Spain

Taxation of dividends

Ownership of shares by shareholders who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain. If the shares form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such shares are the same as those set out for legal entities with tax residence in Spain subject to CIT described in the preceding section.

Taxation of capital gains

If the shares form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to capital gains deriving from such shares are the same as those set out for legal entities with tax residence in Spain subject to CIT described in the preceding section.

Non-Spanish tax resident shareholders not acting through a permanent establishment in Spain

Taxation on dividends

Dividends distributed to Non-Spanish shareholders not acting through a permanent establishment in Spain are subject to Non-Resident Income Tax (“**NRIT**”) according to NRIT Law (*texto refundido de la Ley del Impuesto sobre la Renta de no Residentes, aprobado por Real Decreto Legislativo 5/2004, de 5 de marzo*), at the standard withholding tax rate at 19%.

This standard rate may be reduced pursuant to the application of the EU Parent-Subsidiary Directive or DTC. As to the application of the EU Parent-Subsidiary Directive exemption on dividends, the Spanish tax authorities have considered (binding ruling CV2138-14) that dividends distributed by a SOCIMI are eligible for the

exemption. However, the matter is not a clear cut issue in view of judgment C-448/15 of the ECJ, (*Belgium State vs Wereldhave Belgium et al*), under which the ECJ considers that dividends distributed by an entity subject to a 0% rate are not entitled to the EU Parent-Subsidiary Directive exemption.

Under the EU Parent-Subsidiary Directive exemption, no Spanish withholding taxes should be levied on the dividends distributed by a Spanish subsidiary to its EU parent company, to the extent that the following requirements are met:

- (i) the EU parent company maintains a direct or indirect holding in the share capital of the Spanish subsidiary of at least 5% or its acquisition cost exceeding €20 million. The holding must have been maintained uninterrupted during the year prior to the date on which the distributed profit is due or, failing that, be maintained for the time required to complete such period (in the latter case, the withholding tax must be levied, although it would be refundable once the year has been completed);
- (ii) the EU parent company is incorporated under the laws of a EU Member State, under one of the corporate forms listed in Annex I, Part A, of the EU Parent-Subsidiary Directive, and is subject to a Member State Corporate Income Tax (as listed in Annex I, Part B, of the EU Parent-Subsidiary Directive), without the possibility of being exempt; and
- (iii) the dividends distributed do not derive from the subsidiary's liquidation.

The aforesaid exemption will not be applicable if the dividend is obtained through a territory that is defined as a tax haven by Spanish regulations.

However, the 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 not resident in the EU or the European Economic Area ("EEA") with which there is an effective exchange of tax information under the terms set forth in Law 36/2006, of 29 November (*Ley 36/2006, de 29 de noviembre, de medidas para la prevención del fraude fiscal*), or the equivalent regional legislation applicable, except where the EU or EEA parent company proves that its incorporation and its operation corresponds to valid economic reasons and to substantive economic activities.

Non-Spanish resident shareholders 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. The tax certificate is generally valid only for a period of one year from the date of issuance.

According to the Order of the Ministry of Economy and Competitiveness of April 13, 2000, upon distribution of a dividend, we or our 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 depository. For this purpose, the depository is the financial institution with which shareholder has entered into a contract of deposit or management with respect to our shares held by such shareholders. If the corresponding depository in Spain provides timely evidence of the shareholder's right to obtain the DTC reduced rate or an exemption in the manner set out in the Order of the Ministry of Economy and Competitiveness of April 13, 2000, it will immediately receive the excess amount withheld, which will be credited to the shareholder (the "**Quick Refund Procedure**"). For these purposes, the shareholder shall deliver the applicable depository with the relevant certificate of residence (or equivalent DTC form) stating that the shareholder is tax resident of such country within the meaning of the DTC before the 10th 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. The Quick Refund Procedure will only be applicable to the extent that the depository of the shares held by the shareholder is resident, domiciled or represented in Spain.

If this certificate of tax residence, or as the case may be, the equivalent document referred to above, is not provided to the depository in a timely manner, the shareholder may subsequently obtain a refund of the amount withheld in excess from the Spanish tax authorities, following the standard refund procedure established by the Royal Decree 1776/2004, dated July 30, 2004 (*Reglamento del Impuesto sobre la Renta de no Residentes*

aprobado por Real Decreto 1776/2004 de 30 de julio), and the Order EHA/3316/2010 dated December 17, 2010, as amended.

Spanish Refund Procedure

According to Spanish Regulations on NRIT Law, a refund for the amount withheld in excess of any applicable DTC-reduced rate can be obtained from the relevant Spanish tax authorities. To pursue the refund claim, the non-Spanish shareholder is required to file: (i) the corresponding Spanish Tax Form (currently, Form 210); (ii) the certificate of tax residence or equivalent document referred to above, (iii) a certificate issued by the withholding agent stating that Spanish NRIT was withheld on the dividend distributed, (iv) proof of beneficial ownership; and (v) documentary evidence of the bank account in which the excess amount withheld should be paid.

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

Dividends distributed to non-Spanish shareholders qualified as foreign REITs

Dividends paid to non-Spanish shareholders that are qualifying foreign REITs may be exempt from withholding tax under the SOCIMI Regime. For further details, prospective shareholders should consult their tax advisors.

Taxation on capital gains

Capital gains derived from the transfer or sale of the shares are deemed income arising in Spain, and, therefore, are taxable in Spain at a general tax rate of 19%.

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. However, capital gains realized by non-Spanish tax resident shareholders who benefit from a DTC ratified between their country of tax residence and Spain that provides for taxation of capital gains only in such non-Spanish shareholder's country of residence.

Non-Spanish shareholders must submit a Spanish Tax Form (currently, Form 210) within the time periods set out in the applicable Spanish regulations to pay the corresponding tax or qualify for an exemption. In order for the exemptions mentioned above to apply, a non-Spanish shareholder must provide a certificate of tax residence issued by the tax authority of its country of residence (which, if applicable, must state that, to the best knowledge of such authority, the non-Spanish shareholder is resident of such country within the meaning of the relevant DTC) or equivalent document meeting the requirements of the Order which further develops the applicable DTC, together with the Spanish Tax Form. The non-Spanish shareholder's tax representative in Spain and the depositary of the shares are also entitled to carry out such filing. The certificate of tax residence mentioned above will be generally valid for a period of one year after its date of issuance. Shareholders should consult their own tax advisors to obtain detailed information regarding NRIT filings they may be required to make before the Spanish Tax Authorities.

Spanish Wealth Tax

Unless an applicable DTC provides otherwise, non-Spanish individual shareholders are subject to Spanish Wealth Tax, which imposes a tax on property and rights in excess of €700,000 that are located in Spain, or can be exercised within the Spanish territory, on the last day of any year. Non-Spanish individual shareholders whose net worth is above €700,000 and who hold shares on the last day of any year would therefore be subject to Spanish Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the shares during the last quarter of such year.

However, in accordance with article 73 of Law 6/2018 of 3 July which approves the Spanish General Budget for year 2018 (*Ley 6/2018, de 3 de julio, de Presupuestos Generales del Estado para el año 2018*), as from year 2019 and onwards, a full exemption on Spanish Wealth Tax would apply (*bonificación del 100%*) being the taxpayers released from formal and filing obligations in relation to this Spanish Wealth Tax. Therefore, no Spanish wealth tax should be applied on the holding of the shares as from year 2019 unless the application of the full exemption is postponed.

Individuals who do not have tax residency in Spain and are tax resident in a State of the European Union or of the European Economic Area will be entitled to apply the specific regulation of the autonomous region where their most valuable assets are located and which trigger this Spanish Wealth Tax due to the fact that they are located or are to be exercised within the Spanish territory. Investors should consult their own advisers in this regard.

Shareholders who benefit from a DTC that provides for taxation only in the shareholder's country of residence are not subject to Spanish Wealth Tax.

Finally, shareholders that are non-Spanish resident corporations are not subject to Spanish Wealth Tax.

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 IGT if the shares are located in Spain (as is the case with our shares) or the rights attached to such shares are exercisable in Spain, regardless of the residence of the heir or the beneficiary. The applicable tax rate, after applying all relevant factors, ranges between 0% and 81.6%.

Generally, non-Spanish tax resident individuals are subject to Spanish IGT according to the rules set forth in the state IGT provisions. However, if the deceased or the donee is resident in an EU or EEA member State, the applicable rules will be those corresponding to the relevant Spanish autonomous regions depending on certain circumstances. Prospective shareholders should consult their tax advisers regarding these matters.

Spanish Transfer Tax

The acquisition and transfers of the shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such transactions.

Certain U.S. Federal Income Tax Considerations

The following is a description of certain U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of the Company's Shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire the Shares. This discussion applies only to a U.S. Holder that acquires the Shares in this offering and holds the Shares as capital assets for U.S. federal income tax purposes. This discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences, any aspect of the Medicare contribution tax on "net investment income" and tax consequences applicable to U.S. Holders subject to special rules, such as:

- (i) certain financial institutions;
- (ii) insurance companies;
- (iii) real estate investment trusts;
- (iv) dealers or traders in securities who use a mark-to-market method of tax accounting;
- (v) certain expatriates;
- (vi) persons holding the Shares as part of a straddle, wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to the Shares;
- (vii) persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- (viii) entities classified as partnerships for U.S. federal income tax purposes;
- (ix) tax-exempt entities, including "individual retirement accounts" or "Roth IRAs";
- (x) persons that own or are deemed to own 10% or more of the Company's stock (by vote or value); or

- (xi) persons holding the Shares in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns the Company's Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning the Shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of the Company's Shares.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between the United States and Spain (the "**Treaty**"), all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

As used herein, a "**U.S. Holder**" is a person that is eligible for the benefits of the Treaty, and for U.S. federal income tax purposes is a beneficial owner of the Shares that is:

- (i) a citizen or individual resident of the United States;
- (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and foreign tax consequences of owning and disposing of the Company's Shares in their particular circumstances.

Except as specifically described below, this discussion assumes that the Company was not, and will not become, a PFIC.

Passive Foreign Investment Company Rules

In general, a non-U.S. corporation will be considered a PFIC for any taxable year in which (1) 75% or more of its gross income is "passive income" under the PFIC rules or (2) 50% or more of the average quarterly value of its assets produce or are held for the production of "passive income." If the corporation owns, directly or indirectly, at least 25% by value of the shares of another corporation (a "**25% Subsidiary**"), it will be treated as if it holds directly its proportionate share of the assets and receives directly its proportionate share of the income of the 25% Subsidiary. Whether we will be a PFIC for any taxable year will depend upon the composition of our income and assets (and the composition of the income and assets of our 25% Subsidiaries) and the value of our assets (and the value of the assets of our 25% Subsidiaries).

For PFIC purposes, passive income generally includes interest, dividends, rents, royalties and certain gains. However, certain rental income derived in the active conduct of a trade or business ("active rental income") is not considered passive income. Applicable Treasury regulations generally provide that rental income derived from the leasing of property is active rental income if the lessor of such property, through its own officers or staff of employees, regularly performs active and substantial management and operational functions while the property is leased. Our PFIC status will depend primarily on the extent to which our lease revenue from our properties is considered to be active rental income under the Code and the Treasury regulations thereunder.

Based upon the manner in which we currently operate our business and certain management estimates, we believe it reasonable for U.S. Holders to take the position that our lease revenue from our properties constitutes active rental income. Assuming that this position is upheld, we do not expect to be a PFIC for our current taxable year or in the foreseeable future. However, there are substantial uncertainties as to how to apply the active rental income exception to our situation, including uncertainties as to the application of the exception where substantial management, operational and marketing functions are performed by outsourced personnel, subject to the supervision or direction of our officers or employees. Because of these uncertainties, and because PFIC status is dependent upon the composition of our income and assets and the value of our assets from time to time, it is possible that we will be a PFIC for the current or any other taxable year and the Internal Revenue Service or a court may disagree with the position described above. Our actual PFIC status for any taxable year will not be determinable until after the end of that taxable year, and we do not intend to make a determination as to our

PFIC status for any taxable year. Our U.S. counsel expresses no opinion with respect to our PFIC status for any taxable year. U.S. Holders should consult their tax advisers concerning our potential PFIC status and the potential application of the PFIC rules.

Certain subsidiaries and other entities in which we have a direct or indirect interest could also be PFICs (“**Lower-tier PFICs**”). Under attribution rules, if we were a PFIC, U.S. Holders would be deemed to own their proportionate shares of Lower-tier PFICs and would be subject to U.S. federal income tax according to the rules described in the following paragraphs on (i) certain distributions by a Lower-tier PFIC and (ii) a disposition of shares of a Lower-tier PFIC, in each case as if the U.S. Holder held such shares directly, even if the U.S. Holder did not receive the proceeds of those distributions or dispositions.

If we were a PFIC for any taxable year during which a U.S. Holder held the Shares (assuming such U.S. Holder has not made a timely election described below), gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of the Shares would be allocated ratably over the U.S. Holder’s holding period for the Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on the resulting tax liability. Further, any “excess distribution” on the Shares (that is, the portion of any distribution received by a U.S. Holder that exceeds 125% of the average of the annual distributions received by the U.S. Holder on the Shares during the preceding three years or the U.S. Holder’s holding period, whichever is shorter) would be subject to taxation in the same manner as gain, described immediately above.

Certain elections may be available to U.S. Holders that would result in tax treatment different from the general tax treatment for PFICs described above if the Company were a PFIC. For example, if the Company’s Shares are regularly traded on a qualified exchange, a U.S. Holder may make a mark-to-market election. A U.S. Holder that validly makes the mark-to-market election generally will recognize as ordinary income any excess of the fair market value of the Shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder’s tax basis in the Shares will be adjusted to reflect the income or loss amounts recognized. Any gain recognized on the sale or other disposition of the Shares in a year when the Company is a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the mark-to-market election, distributions paid on the Shares will be treated as discussed under “—*Taxation of Distributions*” below. A mark-to-market election will not be available with respect to any Lower-tier PFIC. U.S. Holders should consult their tax advisers regarding whether the Alternative Equity Market (*Mercado Alternativo Bursátil*) is a qualified exchange for this purpose and the availability and advisability of making a mark-to-market election in their particular circumstances. We do not intend to provide the necessary information to allow U.S. Holders to make a “qualified electing fund” election, which if available would have resulted in alternative treatment if we are a PFIC for any taxable year.

If we were a PFIC for any year during which a U.S. Holder held our Shares, we generally would continue to be treated as a PFIC with respect to that U.S. Holder for all succeeding years during which the U.S. Holder held our Shares, even if we ceased to meet the threshold requirements for PFIC status.

In addition, if we were a PFIC or, with respect to particular U.S. Holder, were treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential dividend rates discussed below with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If a U.S. Holder owns the Shares during any year in which we are a PFIC, the holder generally must file annual reports containing such information as the U.S. Treasury may require on IRS Form 8621 with respect to us, generally with the U.S. Holder’s U.S. federal income tax return for that year.

Taxation of Distributions

Subject to the discussion above under “—*Passive Foreign Investment Company Rules*”, distributions paid on the Shares (including the amount of any Spanish taxes withheld therefrom), other than certain pro rata distributions of the Shares, will be treated as dividends to the extent paid out of the Company’s current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of current

and accumulated earnings and profits (as determined under U.S. federal income tax principles) will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Shares and thereafter as capital gain. Because the Company does not calculate earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Dividends will not be eligible for the dividends-received deductions available to U.S. corporations under the Code. Subject to applicable limitations, dividends may be taxed at the favorable tax rates applicable to "qualified dividend income" if the Company is not a PFIC for either the taxable year of distribution or prior taxable year. Dividends will generally be included in a U.S. Holder's income on the date of receipt. The amount of any dividend income paid in euros will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder's tax basis in the euros received will equal the U.S. dollar amount thereof included in income. A U.S. Holder may have foreign currency gain or loss, which will be U.S. source ordinary income or loss, if the dividend is converted into U.S. dollars after the date of receipt.

Dividends will be treated as foreign-source income for purposes of the foreign tax credit rules. For U.S. federal income tax purposes, the amount of the dividend income will include amounts withheld in respect of Spanish withholding tax. Spanish taxes withheld from dividend payments at a rate not exceeding any applicable rate under the Treaty generally will be creditable against a U.S. Holder's U.S. federal income tax liability, subject to applicable limitations that vary depending upon the U.S. Holder's circumstances. Any Spanish income taxes withheld in excess of the applicable Treaty rate will not be eligible for credit against a U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex and U.S. Holders should consult their tax advisers regarding the creditability of foreign tax credits in their particular circumstances. Instead of claiming a credit, a U.S. Holder may elect to deduct such Spanish taxes in computing its taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits must apply to all foreign taxes paid or accrued in the taxable year.

Sale or Other Disposition of the Shares

Subject to the discussion above under "*Passive Foreign Investment Company Rules*", for U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of the Shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the Shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the Shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars.

As described in "*Spanish Tax Considerations—Non-Spanish shareholders—Non-Spanish tax resident shareholders not acting through a permanent establishment in Spain—Taxation on capital gains*", transfers or sales of the Shares will generally be subject to Spanish taxation. Although generally under the Code capital gains from dispositions of the Shares will be U.S.-source for foreign tax credit purposes, under the Treaty U.S. Holders may be able to credit Spanish taxes imposed on such dispositions, subject to applicable limitations. U.S. Holders should consult their tax advisers as to whether they would be able to credit any such Spanish taxes against their U.S. federal income tax liabilities in their particular circumstances.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient (and if required, establishes its status as such) or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals (and certain specified entities) may be required to report information relating to their ownership of the Company's Shares, unless the Shares are held in accounts at financial institutions (in which case the accounts may be reportable if maintained by non-U.S. financial institutions). U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to the Shares.

THE ABOVE DESCRIPTION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP AND DISPOSITION BY U.S.

HOLDERS OF OUR SHARES. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATION.

ADDITIONAL INFORMATION

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

Pursuant to MAB Circular 9/2017, the Company has engaged Gesvalt Sociedad de Tasación, S.A. (hereinafter, “Gesvalt”) to perform an independent equity valuation of the Company as of December 31, 2017. A copy of the equity valuation report has been attached as Annex V to this Informational Document. The MAB has not verified or checked the hypotheses and projections made and the result of the valuation.

Gesvalt has made an equity valuation following an “EPRA NAV” valuation methodology. For the calculation of the NAV under the “EPRA” methodology, the following adjustments are made over the net equity of the company under IFRS GAAP.

- (i) Adjustments in assets and liabilities to adjust them to their fair value. These adjustments only apply to those balance sheet items that are valued under a different methodology than the fair value.
- (ii) Fair value of the financial instruments for hedging risks and deferred taxes, which should be excluded due to the business model of a real estate property profile, maintaining its real estate investments until the end of its useful life.

For the issuance of this valuation report, Gesvalt has based its analysis, amongst others, on the following information:

- 2017 consolidated audited financial statements
- A valuation of Testa’s asset portfolio carried out by Savills Consultores Inmobiliarios, S.A. which, as of December 31, 2017
- Other valuation reports made by Gesvalt
- Gesvalt’s internal databases
- Public information from: Instituto Nacional de Estadística, Banco de España, Ministerio de Economía y Hacienda

Below is a summary of the equity valuation carried out by Gesvalt:

Valuation of the equity

Considering the “EPRA NAV” valuation methodology, Gesvalt has performed the following adjustments to the net equity of the 2017 Consolidated Financial Statements of the Company as of December 31, 2017 audited by Deloitte.

- (i) *Concession projects:* Gesvalt has considered a positive adjustment to the net equity due to the difference between the book value and the fair value of the concession project of “Benta Barri” residential complex.

€ thousand	Book value	Fair value	Difference
Concession projects	156,343	164,704	8,361

- (ii) *Other financial liabilities:* Under the heading “other financial liabilities” the Company registers the requirement to carry out a capital decrease, subject to Acciona decision, in case the Company’s shares are not listed on a stock market before September 21, 2022. The number of shares of this capital decrease corresponds to the shares subscribed by Acciona in 2017 and the price will be determined by the EPRA NAV. As Gesvalt estimates that the Company’s shares will be listed on a stock market before September 21, 2022, a positive adjustment has been considered to the net equity of €355,565 thousand, which is the amount registered in the Company’s balance sheet as of December 31, 2017.

- (iii) *Financial coverages*: Gesvalt has considered an adjustment corresponding to fair value of the hedging derivatives that the Company has in its balance sheet as of December 31, 2017.
- (iv) *VAT Adjustment*: According to the clause 9.3 of the Management Agreement between Merlin Properties SOCIMI, S.A. and the Company, on January 19, 2018 the Company notified to Merlin Properties SOCIMI, S.A. the withdrawal of the agreement, which implied an expense of €108,563 thousand. On March 26, 2018 the Company's General Shareholders Meeting approved a capital increase through credit compensation of €89,721 thousand, fully subscribed by Merlin Properties SOCIMI, S.A. The remaining amount corresponds to the applicable VAT, which was paid on June 3, 2018. For this reasons, a negative adjustment of €18,840 thousand is made to the equity valuation as of December 31, 2017.
- (v) *Financial debt*: After carrying the analysis of the conditions of the Company's financial debt, Gesvalt considers that the book value was a reference of its fair value so no adjustment has been considered.
- (vi) *Deferred tax effect*: The Company has deferred assets and liabilities that have their origin in movements during fiscal years 2016 and 2017. According to information contained in the consolidated audited financial statements, they are related to certain tax planning actions with a high probability of being recovered. Due to the fact that the business model does not include the rotation of the portfolio, the effect of such deferred liabilities should be excluded.
- (vii) *Tax Regime*: Assuming that the Company complies with the requirements of the SOCIMI regime, and that in any case the capital gains taxation policy should be carried out from the point of view of dividends and not from corporate tax, Gesvalt estimates a null effect in both scenarios.
- (viii) *Structure costs*: No adjustments have been made regarding the structure costs as the estimated asset management fee has already been considered in the previous asset valuation.

Thus, based on the audited 2017 Consolidated Financial Statements the range of value of the Company's equity as of December 31, 2017 would be as follows:

€ thousand	Lower range	Central range	Higher range
Net equity as of December 31, 2017 under IFRS	1,225,659	1,394,524	1,563,389
Concession projects	6,714	8,361	10,008
Other financial liabilities	355,565	355,565	355,565
Financial coverages	120	120	120
Deferred tax effect	94,870	94,870	94,870
VAT adjustments	-18,842	-18,842	-18,842
Adjusted net equity (EPRA NAV)	1,664,086	1,834,598	2,005,111
Nº of shares	132,270,202	132,270,202	132,270,202
Price per share	12.58	13.87	15.16

Setting of the reference price for the listing in the MAB

Considering the equity valuation report of the Company as of December 31, 2017 issued by Gesvalt on July 16, 2018, the Board of Directors of the Company held on July 16, 2018 has set a benchmark share price of €13.86 per share, which implies a total equity value of the Company of €1,833,264,999.72.

Liquidity Provider with which it has entered into the relevant liquidity agreement and brief description of its function

On July 18, 2018, 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 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 Testa 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 Circular 15/2016.

The Company has provided the Liquidity Provider with a combination of €300,000 in cash and the amount of 21,646 shares equivalent to €300,013.56, 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 Testa 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.

Information regarding the Registered Advisor including possible relationships and connections with the issuer

Further to the requirement foreseen in MAB Circular 9/2017, establishing the need for a Registered Advisor in the MAB listing process, SOCIMIs segment, and its continuation whilst the Company is listed on said market, on May 30, 2018 Testa hired Renta 4 Corporate, S.A. as Registered Advisor for the incorporation process.

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 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 and Liquidity Provider previously described.

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 Testa in relation to the listing of its shares on the MAB:

- (i) The law firm Uría Menéndez Abogados, S.L.P. has provided legal advice to the Company.
- (ii) The law firm Linklaters, S.L.P. has provided legal and tax has issued a due diligence report on real estate/town planning aspects relating to the real estate assets owned by Testa.
- (iii) The law firm Hogan Lovells International LLP has issued a legal due diligence report on corporate aspects relating to the Company.
- (iv) The audit and financial advisory firm Deloitte, S.L. has issued a financial due diligence report in fulfilment of the requisites established by MAB Circular 9/2017.

Credit ratings assigned to Testa

In May 18, 2018, we obtained a BBB- rating from Standard & Poor's Global Ratings ("S&P"). As of the date of this Informational Document, S&P is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended. This is a preliminary rating, subject to completion of the admission to listing of our Shares on the Spanish Stock Exchanges.

Documents on display

Copies of the following documents will be available for inspection in physical form until Admission during business hours on weekdays at our corporate address at Paseo de la Castellana 257, 28046, Madrid, Spain:

- (i) our deed of incorporation;
- (ii) our by-laws (which, following Admission, will also be available on our website at www.testa-socimi.com;
- (iii) Internal Code of Conduct in Securities (which, following Admission, will also be available on our corporate website at www.testa-socimi.com;
- (iv) our audited individual financial statements as of and for the year ended December 31, 2016, which will also be available on our website at www.testa-socimi.com;

- (v) our audited consolidated financial statements as of and for the year ended December 31, 2017, which will also be available on our corporate website at www.testa-socimi.com;
- (vi) our unaudited interim condensed consolidated financial statements as of and for the three-month period ended March 31, 2018, which will also be available on our website at www.testa-socimi.com;
- (vii) our audited individual financial statements as of and for the year ended December 31, 2017, which will also be available on our corporate website at www.testa-socimi.com;
- (viii) our unaudited interim condensed individual financial statements as of and for the three-month period ended March 31, 2018, which will also be available on our website at www.testa-socimi.com;
- (ix) English translations of the documents referred to in (iv) and (v) above, which will also be available on our website at www.testa-socimi.com;
- (x) this Informational Document (which, following Admission, will also be available on our corporate website at www.testa-socimi.com; and
- (xi) certificate of the resolutions approved by the general shareholders meeting and Board of Directors in connection with the Listing.

Information on the Company

Our legal name is Testa Residencial, SOCIMI, S.A. and we operate under the commercial name “Testa”.

We are a Spanish *sociedad anónima* incorporated on January 4, 2001 and registered with the Commercial Registry of Madrid under Volume 16,114 general, Folio 1, Page M-272946. Our Spanish tax identification number is A-82865890. Our legal entity identifier (LEI) code is 9598000T5LMLE960EV70.

The principal legislation under which we operate, and under which our ordinary shares were created, is the Spanish Companies Act and the regulations made thereunder. We are domiciled in Madrid (Spain) and resident in Spain for tax purposes.

Our registered office is at Paseo de la Castellana 257, 28046 Madrid, Spain and our phone number is +34 91 048 94 00.

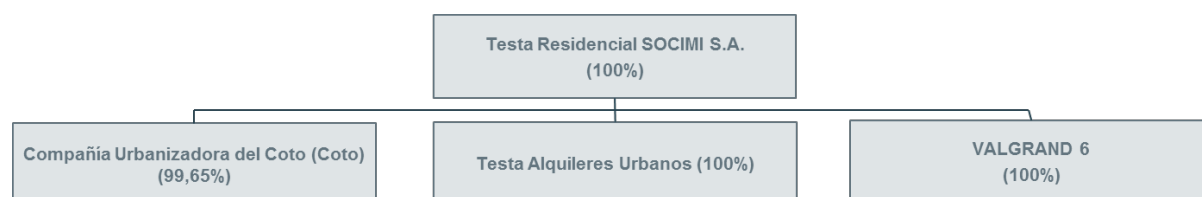
Our financial year end is December 31.

Report on the organisational structure of the Company

The Board of Directors states that it has an organisational structure and a system of internal control of the financing information that complies with the information obligations imposed by MAB Circular 15/2016, of July 26, on information to be provided by companies in expansion and SOCIMIs listed for trading on the MAB. The internal report of the Company has been attached as Annex VI of this Informational Document.

Corporate structure

The following chart illustrates the Group’s corporate structure as of the date of this Informational Document:



Both Coto and Valgrand were contributed by Acciona to the Company in 2017. See “*Description of Share Capital—General*” and “*Related Party Transactions—Transactions with the Significant Shareholders—Acciona Investment Agreement*”. Following the Listing we expect to merge with Coto as described in “*Business—History*”.

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.

On the date of this Informational Document, c.100% of our apartments have an energy performance certificate, in particular, all of our vacant apartments which are being commercialized have an energy performance certificate.

ANNEX I – VALUATION REPORT

Short Report

Portfolio of Residential Properties
Valuation as at 31/12/2017

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Short Report



16th July 2018

Testa Residencial, SOCIMI, S.A.
Paseo De La Castellana, 257 2ª Planta
28046 - Madrid

Aguirre Newman Valoraciones y Tasaciones S.A.U.

Tel: + 34 (91) 310.10.16
Fax: + 34 (91) 310.10.24
www.savills.es

"The Addressee"

For the attention of: Mr. Miguel Oñate,

CLIENT: Testa Residencial, SOCIMI, S.A.

PROPERTY: Portfolio of Residential properties located across Spain.

Dear Mr. Oñate,

In accordance with the terms and conditions contained in our proposal letter dated June 2018, we are pleased to provide you with a market update valuation and appraisal report in relation to the above named property. We understand you require this valuation for Accounting Purposes and for the admission to trading in MaB (the Spanish Alternative Equity Market)). The date of valuation is the **31st December 2017**.

We draw your attention to our accompanying Report together with the General Assumptions and Conditions upon which our Valuation has been prepared, details of which are provided at the rear of our report.

We trust that our report meets your requirements, but should you have any queries, please do not hesitate to contact us.

Yours faithfully,

For and on behalf of Aguirre Newman Valoraciones y Tasaciones S.A.U.

A handwritten signature in blue ink, appearing to read 'J. Mateo', with a long horizontal stroke extending to the left.

Jesús D. Mateo MRICS
RICS Registered Valuer
Executive Director
Aguirre Newman Valoraciones y Tasaciones S.A.U.

A handwritten signature in blue ink, appearing to read 'Mónica', with a stylized flourish at the end.

Mónica Arduán Ortiz. MRICS
RICS Registered Valuer
Director Valuations
Aguirre Newman Valoraciones y Tasaciones S.A.U..

1. Instructions and Terms of Reference

1.1. Instructions & Terms of Reference

In accordance with our Terms of Engagement signed June 2017, we have valued the properties, in order to provide you with our opinion of their Market Value, as at **31st December 2017**.

1.1.1. Instructions

You have instructed us to provide our opinions of value on the following bases:

- We have valued the subject properties since 2015. Notwithstanding we do not believe that this constitutes a conflict of interest preventing us from providing you with this update valuation.
- We are not aware of any conflict of interest, either with the Property, the Assets, or with the client, preventing us from providing you with an independent valuation of the Property in accordance with the Red Book.
- We will be acting as External Valuers, as defined in the Red Book.
- We have no material connection either with the client or with the properties.
- We confirm that we will not benefit (other than from the receipt of the valuation fee) from this valuation instruction.
- We confirm that Savills Consultores Inmobiliarios S.A. carry sufficient Professional Indemnity Insurance for possible claims. According with the Terms of Engagement Letter, in case of responsibility for our advice, compensation is limited to the amount of the fees provided for carrying out the work.
- We have a Complaints Handling Procedure.
- That we have the knowledge, skills and ability to act on your behalf in respect of this instruction.
- And, that all information provided in respect of this instruction will be kept confidential and will not be disclosed to any un-authorised third party.
- You have also instructed us to comment on specific issues concerning the properties.

Our valuations are prepared on an individual basis and the portfolio valuations reported are the aggregate of the individual Market Values, as appropriate. Our opinions of value are as at **31st December 2017**.

The valuations have been carried out by qualified MRICS Registered Valuers, with the knowledge, skills and ability required to perform this valuation report competently.

We confirm that our valuations will all be reported in Euros.

1.1.2. Basis of Valuation

The valuation has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards 2017 incorporating the IVSC International Valuation Standards issued June 2017 and effective from 1 July 2017. In particular in accordance with the requirement of VPS 3 entitled Valuations reports.

Red Book Valuation Standard VS 3.2 relates to the basis of value, and, in accordance therewith, you have instructed us to value the property on the basis of Market Value, the definition is defined as follows:

"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."

Our report and valuations in accordance with these requirements are set out below.

1.1.3. General Assumptions and Conditions

All our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.1.4. Date of Valuation

Our opinions of value are as at **31st December 2017**. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

1.1.5. Purpose of Valuation

The valuation is required for internal uses of the Addressee and for the admission to trading in MaB (the Spanish Alternative Equity Market), consequently the Valuation Report will comply with any applicable rules for this last purpose. The valuation is additionally required for Loan Security purposes.

It is important that the Report is not used out of context or for the purposes for which it was not intended. We shall have no responsibility or liability to any party in the event that the Report is used outside of the purposes for which it was intended, or outside of the restrictions on its use.

1.1.6. Conflicts of Interest

We are not aware of any conflict of interest, either with yourselves or with the properties, preventing us from providing independent valuation advice, and therefore we are pleased to accept your instructions. We will be acting as External Valuers, as defined in the Red Book.

1.1.7. Valuer Details and Inspection

The properties have been inspected by valuers of the Advisory & Valuation Department. Valuations have been reviewed by Jesús Mateo MRICS and Eduardo Pimenta MRICS.

The properties have been inspected by valuers of the Advisory & Valuation Department. The inspections has been carried out externally and internally, but limited to those areas that were easily accessible or visible.

All those above with MRICS or FRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with VS 6.1(r), we confirm that the aforementioned individuals have the knowledge, skill and understanding to undertake the valuation competently.

1.1.8. Liability Cap

Our liability to any Addressee or any other party who otherwise becomes entitled to rely upon the Report under or in connection with this Valuation, shall be limited to the amount specified at the Terms of Engagement Letter signed between Savills Consultores Inmobiliarios S.A. and Testa Residencial, Socimi, S.A.

1.1.9. RICS Compliance

This report has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards 2017 incorporating the IVSC International Valuation Standards issued June 2017 and effective from 1 July 2017, in particular in accordance with the requirements of VPS 3 entitled Valuation reports and VPGA 2 Valuations secured lending, as appropriate.

Our report in accordance with those requirements is set out below.

1.1.10. Verification

This report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

We recommend that the Addressee satisfies itself on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuations. Our valuations should not be relied upon pending this verification process.

1.1.11. Confidentiality and Responsibility

Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated in section 1.1.5 above. It is confidential to and for the use only of the parties to whom it is addressed only, who can rely on it, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such third parties rely upon this report at their own risk.

Except as set out in section 1.1.5 above, neither the whole nor any part of this Report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

2. Valuation Advice

2.1. Valuation

Having carefully considered the matter, we are of the opinion that the Market Value, as at our valuation date, of the respective freehold and leasehold interests of the subject property portfolio is:

€ 2,275,521,000

(TWO BILLION, TWO HUNDRED AND SEVENTY-FIVE MILLION, FIVE HUNDRED AND TWENTY-ONE THOUSAND EUROS)

2.1.1. Geographical & categories distribution of Market Value

You have requested we included the spread of the aggregate Market Value per the following geographical areas and categories as follows:

	TOTAL
MADRID	1,450,135,000
ANDALUCÍA	10,363,000
PALMA DE MALLORCA	62,048,000
LAS PALMAS DE GRAN CANARIA	66,896,000
BARCELONA	93,855,000
VALENCIA	34,584,000
PAMPLONA	46,016,000
TOTAL PREMIUM MARKET	1,763,897,000
OVIEDO	34,875,000
TOLEDO	53,507,000
VALLADOLID	42,212,000
VALENCIA	56,286,000
GALICIA	39,168,000
SAN SEBASTIÁN	164,704,000
TOTAL CORE MARKET	390,752,000
TOTAL NON CORE	120,872,000
TOTAL GENERAL	2,275,521,000

Note that the categories are a classification of the properties made by Testa Residencial, SOCIMI, S.A.. We understand that the properties are classified as follows:

1. Premium market. The premium market segment is concentrated in locations with strong household growth forecasts, low vacancy rates and attractive supply dynamics or in niche micro-locations where Testa Residencial, SOCIMI, S.A. own unique properties.
2. Core market. The core market segment is concentrated in locations with either good household growth forecasts, high occupancy rates, or good supply dynamics, or in good micro-locations that show potential for future improvement of macroeconomic trends.

3. Non-core assets. All of the properties in respect of which they have surface rights (except for Bentaberri), certain non-residential properties and properties in locations with low development potential to be non-core assets.

2.1.2. Estimated Rental Value

Additionally you have requested that we comment on our opinion of the estimated of rental value of the properties indicated in our report. We have made an estimate based on the appropriate market rental rates for the residential assets of the portfolio. In addition, we have assessed the rental value of the retail units that we have valued under the investment methodology. The aggregate Estimated Rental Value on a 100% occupancy basis is € 97,923,215 (Ninety Seven Nine Hundred and Twenty Three Thousand Two Hundred and Fifteen Euros) per annum equating to € 9.90 per sq m per month (Nine Euros and Ninety Cents per square meters per month) which can be divided into an Estimated Rental Value of € 88,052,467 (Eighty Eight Million and Fifty Two Thousand Four Hundred and Sixty Seven) per annum for the occupied areas as of the date of valuation and € 9,870,749 (Nine Million Eight Hundred and Seventy Thousand Seven Hundred and Forty Nine Euros) per annum for the vacant areas as of the date of valuation.

The portfolio includes residential units that are held under social housing regulation which has an aggregate Estimated Rental Value of €16,797,386 (Sixteen Million Seven Hundred and Ninety Seven Thousand Three hundred and Eighty Six Euros) per annum equating to € 8.94 per sq m per month (Eight Euros and Ninety Four Cents per square meters per month). This Estimated Rental Value is the market rent value, however, these properties are subjected to “public protection” for a certain period of time, which means that before the expiry date of the protection, the rent is limited to a certain amount determined by the Government of the Autonomous Community. After the protection period those residential units can be rented at market rates (ERV) provided. Nevertheless, we have assumed that the properties will be liquidated (sold in the open market) once the “protection” ends for the developments where its protection will expire within 10 years from the valuation date.

In the table below, the differences between the “public protection” ERV and the market ERV is based on the protection period:

Expiration of Social Housing Regime ⁽¹⁾			
	Up to 5 years	5-10 years	More than 10 years
In-Place Rent (€/sqm/month).	5.0	6.6	5.7
ERV (€/sqm/month) (December 2017) ²	7.4	12.5	6.6
Upside Potential	49%	89%	16%
Upside Potential p.a	€1.1m	€3.8m	€0.4m

(1) Includes only rents that will become free rent (excludes rents that will be lost).

(2) Assumes all portfolio apartments are rented at current market rental prices and that the portfolio has a 100% occupancy rate.

2.1.3. Valuation Certainty

In view of our comments on the market above, it is clear that any property valuations reported at the present time contain “abnormal uncertainty” caused by “market instability” together with reduced “liquidity and market activity”. RICS Guidance Note 1 (GN1) refers to such circumstances thus:

- “Disruption of markets can arise due to unforeseen financial, macro-economic, legal, political or even natural events. If the date of valuation coincides with, or is in the immediate aftermath of, such an event there may be a reduced level of certainty that can be attached to a valuation, due to inconsistent, or an absence of, empirical data, or the valuer being faced within an unprecedented set of circumstances on which to base a judgement. In such situations demands placed on valuers can be unusually testing. Although valuers should remain able to make judgement, it is important that the context of that judgment is clearly expressed.”
- “In markets that are inactive with low levels of liquidity there is a reduced amount of data to provide empirical support for valuations. In such cases the valuer should be as explicit as possible to demonstrate the degree to which the conclusion is based on subjectivity. Similarly, in liquid and functioning markets the valuer should state that there is an abundance of empirical data to support the conclusions drawn”.

As a consequence of the events that occurred on the 1st of October in Catalonia in respect to the independence process, we cannot tell accurately yet how strong the impact is going to be in the confidence of the markets in general, neither in the real estate market specifically and how will it be affected. We will be aware of the changes on the market and its effects as the market continues. We have made a great effort on reflecting the current market movements. In absence of contrary information, our valuation has been carried out assuming that the real estate market will keep developing according to the past, nevertheless, we highly recommend to keep the valuation under your supervision, as long as you think is relevant for the purposes you have requested this valuation.

Accordingly, please be advised that such circumstances exist and that we have advised you in the context above. It follows that notwithstanding this wider uncertainty in the financial markets, we necessarily assume debt finance is available in the market on reasonable and acceptable commercial terms.

In any case, we would wish to point out that our valuation is a snapshot of the market as at the date of valuation.

Despite the lack of recent open market transactions, we consider our valuations reflect current market conditions. We are of the opinion that they are well supported by reference to the constant interaction with our transaction teams and external market participants. Through this, we can evaluate current asking and offering prices and make appropriate adjustments to reflect current market conditions. Finally, we consider our opinions of value as detailed below can be reported with a reasonable degree of confidence.

3. Valuation Methodology

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3.1. Overview

We have valued each development individually assuming that each development/block would be transacted as an investment property. In arriving at our opinions of value we have adopted the Discounted Cash Flow (DCF) method of valuation built on our estimate of income derived from the residential and retail individual units within each development that are held on freehold or leasehold by the Client.

We have adopted two main different approaches:

- **Investment Method.** In the buildings where the subject property accounts for 100% of the condominium ownership, we have assumed that the potential buyer would keep the full building as a long term investment. Therefore we assume rental income throughout a 10 year cash flow and an exit value derived though capitalising the net income as at the disposal date at an appropriate market yield.
- **Liquidation Method.** In the buildings where the subject property does not correspond to 100% of the condominium ownership, we have assumed that the potential buyer would liquidate the remaining units once they become vacant. We have also applied this approach in the cases albeit there is 100% of the condominium there is currently a regime of regulated leases - subject to "public protection" - and that regime will end within 10 years from the valuation date. In such cases we have assumed that the properties are liquidated once the "public protection" period ends.

The breakdown of valuation methodology applied to each property is as follows.

Investment Method:

ID	Property	Province	Town	Address	Main Use
4.01	PLAZA DE CASTILLA	Madrid	Madrid	CL San Benito	Residential
11.01	ESCUELA DE VALLECAS	Madrid	Madrid	CL Escuela De Vallecas	Residential
12.01	EMBALSE NAVACERRADA	Madrid	Madrid	CL Embalse De Navacerrada	Residential
13	J.A. MENDIZÁBAL	Madrid	Madrid	CL Juan Álvarez Mendizábal	Residential
14	LOS MISTERIOS	Madrid	Madrid	CL Los Misterios	Residential
27	ÓNICE	Madrid	Madrid	CL Ónice	Residential
28.01	MENDEZ ÁLVARO	Madrid	Madrid	CL Mendez Álvaro	Residential
29.01	MANZANA CASTELLANA	Madrid	Madrid	MZ Manzana Castellana	Residential
30	MARÍA MOLINER	Madrid	Leganés	CL María Moliner	Residential
36	MONTAÑAS ROCOSAS	Madrid	Aranjuez	CL Montañas Rocosas	Residential
45.01	FUENTE DEL SAZ	Madrid	Madrid	CL Fuente del Saz	Residential
46.01	CÓRDOBA	Madrid	Madrid	AV Córdoba	Residential
47.01	ALCORCÓN II	Madrid	Alcorcón	CL Estocolmo	Residential
48	CASTROVIEJO	Madrid	Madrid	CL Doctor Castroviejo	Residential
50	FRANCISCO REMIRO	Madrid	Madrid	CL Francisco Remiro	Residential
58.01	CESÁREO ALIERTA	Zaragoza	Zaragoza	CL Cesáreo Alierta	Residential

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59	MONTE CERRAU	Asturias	Oviedo	CL Monte Cerrau	Residential
61	SIERO	Asturias	Oviedo	CL Siero	Residential
62	NOREÑA	Asturias	Oviedo	CL Noreña	Residential
65	RAMÓN MONCADA	Baleares	Santa Ponça	CL Ramón Montcada	Residential
71.01	SESEÑA SOROLLA	Toledo	Seseña	CL Sorolla	Residential
72	SESEÑA REMBRANDT	Toledo	Seseña	CL Rembrandt	Residential
73.01	BALLESTER	Valladolid	Valladolid	PL Torrente Ballester	Residential
74	MIÑO	Valladolid	Laguna De Duero	CL Miño	Residential
75	TAJO	Valladolid	Laguna De Duero	CL Tajo	Residential
78	ARROYO ENCOMIENDA	Valladolid	Arroyo de la Encomienda	CL Torres Quevedo	Residential
79	CAN MATES III	Barcelona	San Cugat del Vallés	CL Josep Irla	Residential
80	CAN MATES IV	Barcelona	San Cugat del Vallés	CL Antoni Solanell	Residential
88.01	DIAGONAL	Barcelona	Barcelona	AV Diagonal	Residential
93.01	BENICALAP	Valencia	Valencia	CL Encarna Albarracín	Residential
102.01	GONZÁLEZ GARCÉS	A Coruña	Culleredo (A Coruña)	CL Miguel González Garcés	Residential
103.01	RÍO MANDEO	A Coruña	Barcala (Cambre)	CL Río Mandeo	Residential
104.01	SAN ANDRÉS	A Coruña	A Coruña	CL San Andrés	Residential
115.01	LAS ENCINAS (S1)	Madrid	Madrid	Algabeño	Residential
116.01	LOS OLIVOS (S2)	Madrid	Madrid	Vicente Morales	Residential
117.01	LOS CASTAÑOS (S3)	Madrid	Madrid	Algabeño	Residential
118.01	LOS ROBLES (S7)	Madrid	Madrid	Algabeño	Residential
119	PARQUE AMÉRICA	Madrid	Madrid	Caribe	Residential
120.01	LAS HUERTAS (S14)	Madrid	Madrid	Papa Negro	Residential
121.01	LA ROSALEDA (S15)	Madrid	Madrid	Diego Ayllon	Residential
126.01	VALGRAND - PARQUE AMÉRICA	Madrid	Madrid	Calle Caribe 2	Residential
126.02	VALGRAND - LOS OLIVOS	Madrid	Madrid	Calle Vicente Morales 2	Residential

Liquidation Method:

ID	Property	Province	Town	Address	Main Use
1.01	PAVONES ESTE	Madrid	Madrid	CL Fuente Carrantona	Residential
2.01	VALDEBERNARDO	Madrid	Madrid	CL Pergamino	Residential
3.01	ALCORCÓN I	Madrid	Alcorcón	CL Estocolmo	Residential
5	ALAMEDA DE OSUNA	Madrid	Madrid	CL Alameda de Osuna	Residential
6	HYDRA	Madrid	Móstoles	CL Hydra	Residential
7	CEFEQ	Madrid	Móstoles	CL Cefeo	Residential
10	MIRADOR DEL SUR	Madrid	Villaverde	CL Lenguas	Residential

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15.01	C. VENADITO	Madrid	Madrid	CL Condesa De Venadito	Residential
16	MIRADOR LAS TABLAS B11	Madrid	Madrid	CL San Juan De Ortega	Residential
17	LAS TABLAS LIGONDE	Madrid	Madrid	CL Ligonde	Residential
18	LAS TABLAS TRIACASTELA	Madrid	Madrid	CL Triacastela	Residential
19.01	LAS TABLAS B13	Madrid	Madrid	CL San Juan De Ortega	Residential
20.01	TORRELAGUNA	Madrid	Madrid	CL Torrelaguna	Residential
21.01	TOMÁS LÓPEZ	Madrid	Madrid	CL Tomás López	Residential
22	LA MASÓ	Madrid	Madrid	CL La Masó	Residential
23	COSTA BRAVA	Madrid	Madrid	CL Costa Brava	Residential
24	MORALZARZAL	Madrid	Madrid	CL Moralzarzal	Residential
25	EL MOLINO	Madrid	Madrid	CL Andrés de Urdaneta	Residential
26	PINAR DE BERGAMIN	Madrid	Madrid	CL Rafael Bergamín	Residential
31	EL PINAR II	Madrid	Las Rozas	CL Valle Del Roncal	Residential
32.01	GOLFO DE SALONICA	Madrid	Madrid	CL Golfo de Salónica	Residential
33	ALCALÁ	Madrid	Madrid	CL Alcalá	Residential
34	JOSÉ ANTONIO ZAPATA	Madrid	Madrid	CL Jose Antonio Zapata	Residential
35	JOAQUÍN RUIZ GIMÉNEZ	Madrid	Torrelodones	PS Joaquín Ruiz Giménez	Residential
37	CONGO	Madrid	Getafe	CL Congo	Residential
38	PLANETARIO	Madrid	Madrid	AV Planetario	Residential
39	ENSANCHE DE VALLECAS	Madrid	Madrid	AV Ensanche de Vallecas	Residential
40	EURO	Madrid	Madrid	AV Euro	Residential
41	PUENTEDEY	Madrid	Madrid	CL Puente de Y	Residential
42	JULIÁN CAMARILLO	Madrid	Madrid	CL Julián Camarillo	Residential
43	PASEO DE LA ESTACIÓN	Madrid	Valdemoro	CL Valdesanchuela	Residential
44.01	CALCIO	Madrid	Madrid	CL Calcio	Residential
49	GALILEO	Madrid	Madrid	CL Galileo	Residential
51	STA. MARÍA MAGDALENA	Madrid	Madrid	CL Santa María Magdalena	Residential
52	MERCEDES FORMICA	Madrid	Las Rozas	CL Mercedes Formica	Residential
53	RONDA DE SEGOVIA	Madrid	Madrid	CL Ronda de Segovia	Residential
54.01	JOSÉ M. PERIDIS	Madrid	Getafe	CL José Maria Peridis	Residential
55.01	MARÍA BARRIENTOS	Málaga	Málaga	CL María Barrientos	Residential
56	MÁRMOLES	Málaga	Málaga	CL Armengual de la Mota	Residential
57	POZOS DULCES	Málaga	Málaga	CL Pozos Dulces	Residential
60	WISEU	Asturias	Oviedo	CL Viseu	Residential
63	FLORIDA	Asturias	Oviedo	CL Pravia	Residential
64.01	SALVADOR DALÍ	Baleares	Palma de Mallorca	CL Juan Gris	Residential
66	VALLGORNERA	Baleares	Sant Jordi	CL Castellix	Residential
67	JARDINES DE TARA	Las Palmas de GC	Las Palmas de GC	CL Doctor Alfonso Chiscano Díaz	Residential

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68	VILLA DEL PINO	Las Palmas de GC	Las Palmas de GC	CL Doctor Alfonso Chiscano Díaz	Residential
69.01	TAMARACEITE	Las Palmas de GC	Las Palmas de GC	CL Isabel Macario Brito Soprano	Residential
70.01	BENQUERENCIA	Toledo	Toledo	CL Rio Estenilla	Residential
76	MIESES	Valladolid	Valladolid	CL Mieses	Residential
77	LA HABANA	Valladolid	Valladolid	CL Ciudad de la Habana	Residential
81	ANNA TUGÁS	Barcelona	Badalona	CL Anna Tugas	Residential
82	EUROPA	Barcelona	Hospitalet de Llobregat	PL de Europa	Residential
83	BORRELL	Barcelona	San Cugat del Vallés	CL Borrell	Residential
84	APRESTADORA	Barcelona	Barcelona	CL Aprestadora	Residential
85	TRIXANT	Barcelona	Barcelona	CL Trinxant	Residential
86.01	BAC DE RODA	Barcelona	Barcelona	CL Bac de Roda	Residential
87	MÉRIDA	Barcelona	Barcelona	CL Mérida	Residential
89.01	SEPÚLVEDA	Barcelona	Barcelona	CL Sepúlveda	Residential
90	LÉRIDA	Lérida	Lérida	CL Albert Porqueras	Residential
91	TERRAZAS GRAN VÍA	Alicante	Alicante	CL Doctor Jiménez Díaz	Residential
92	HOYO 14	Alicante	Alicante	CL Britania	Residential
94	CORTES VALENCIANAS	Valencia	Valencia	CL Cortes Valencianas	Residential
95	MAESTRO RODRIGO	Valencia	Valencia	AV Maestro Rodrigo	Residential
96	CAMPANAR	Valencia	Valencia	AV Campanar	Residential
97	JOSÉ ECHEGARAY	A Coruña	A Coruña	CL José Echegaray	Residential
98.01	RAMÓN Y CAJAL	A Coruña	A Coruña	CL Novoa Santos	Residential
99.01	MONTEVIDEO	A Coruña	A Coruña	CL Brasil	Residential
100	OTERO PEDRAIO	A Coruña	A Coruña	CL Otero Pedraio	Residential
101	RUA GARDA	A Coruña	A Coruña	CL Rua Garda	Residential
105.01	MONTEPEDROSO	Orense	Orense	CL Montepedroso	Residential
106	CHANO PIÑEIRO	Orense	Orense	CL Chano Piñeiro	Residential
107.01	HISPANIDAD	Pontevedra	Vigo	CL Hispanidad	Residential
108	MARCELO CELAYETA	Pamplona	Pamplona	AV Marcelo Celayeta	Residential
109	E. NORTE	Pamplona	Pamplona	CL Remiro De Goñi	Residential
110	SANDUCELAY	Pamplona	Pamplona	CL Sanducelay	Residential
111	LA ROCHAPEA	Pamplona	Pamplona	TR Ártica	Residential
112	SANDÚA	Pamplona	Pamplona	PS Sandúa	Residential
113	SANTA LUCÍA	Pamplona	Pamplona	PS de Santa Lucía	Residential

Note that the methodology applied is neutral with regards to the valuation end result i.e. the Market Value of a given property is not contingent on the methodology applied.

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The cash flow model is a present value model that is based on the discounted cash flow that a property is assumed to generate in the future. The estimated cash flow is the annual net rental income.

Once we have arrived at the current Market Value, which would be the resulting Net Present Value of the cash flows, we cross check the value obtained against market rates of existing transactions on a capital value per sq m basis.

The future cash flow is estimated based on a series of property specific assumptions which we detail in the following sections.

In addition to these 2 main approaches, which account for the most part of the portfolio, we have adopted the direct comparison methodology to 1 rustic land plot and adopted DCF to value 4 short term leasehold properties (using a DCF over the period of time that Testa holds the leasehold and no terminal value is included in the valuation of these assets) and a DCF model designed for the Benta Berri property which has a very specific status with regards to its tenancy and tenure situation.

The split of the aggregate valuation figures per methodology applied is as follows:

Methodology	Market Value	(%)	Market Value	(%)
Liquidation - Open Market	€988,030,000	43%		
Liquidation - Public protection	€35,723,000	2%		
Total Liquidation			€1,023,753,000	45%
Investment - Open Market	€994,473,000	44%		
Investment - Public protection	€87,665,000	4%		
Total Investment			€1,082,138,000	48%
DCF - Benta Berri	€164,704,000	7%	€164,704,000	7%
DCF - Leasehold	€4,738,000	0%	€4,738,000	0%
Comparision - Rustic Land	€188,000	0%	€188,000	0%
Total	€2,275,521,000		€2,275,521,000	

3.2. Investment Method - Residential units

3.2.1. Methodology

In this methodology, we assume rental income throughout a 10 year cash flow and an exit value derived though capitalising the net income as at the disposal date at an appropriate market yield.

3.2.2. Rental income

In determining the rental income we have taken into consideration the current agreed rents between landlord and tenant for the duration of the existing lease. Upon expiry of the current rents, and if applicable a void period, we have applied the rents according to open market levels. In case there is a protection regime the rents are defined as established below in Section 2.3.

As residential rents in Spain are indexed annually to CPI, we have applied the following rental growth indexation parameters in our DCF calculations:

- Annual inflation of 2.10% in Year 1, 1.50% in Year 2, 1.70% in Year 3 and 1.80% in Year 4 (average based on inflation forecasts by leading economic institutes);
- Annual inflation of 1.90% in Year 5 and 2.00% thereafter;
- Market Rental growth according to annual inflation.

3.2.3. Market rents

In our valuation, we assume market rent levels per area type. The assumptions are based on material compiled from the Research department in Savills, available information on rents in comparable buildings, discussions with our leasing brokers and our subjective opinions of the correct lease level for a specific area.

The portfolio includes residential units that are held under social housing regulation - subject to “public protection”. In this regard, we have distinguished 2 different valuation approaches:

- Standard residential units. This category refers to residential units that are **not** subject to public protection or social housing schemes. In such cases we have applied the corresponding ERV (free open market rents) once the current lease contracts expire, after an appropriate marketing period.
- Social Housing. This means that the building is subject to “public protection” for a certain period of time. Before the expiry date of the protection, it is mandatory that the rent is limited to a certain amount determined by the Autonomous Community government. The maximum amount of permitted rent is limited by the “Módulo Máximo de Protección Oficial” (“módulo”) which is a determined rent per square metre (on net surfaces). The “módulo” varies between different districts and Autonomous Communities, and it is normally expected to be below market, although during the crisis there have been some exceptions - we have ensured that the applied rent in such cases is equal or below the ERV. Therefore, whenever the building is subject to this legal regime, we have applied the applicable rent allowed by the “módulo”, and the market ERV after the protection period.

Note that we have analyzed properties in the market on a comparable basis to arrive at the appropriate market rates for the subject properties, i.e. we have made adjustments to the available data on comparable properties such as negotiation discounts on asking prices, or premiums/discounts if the comparable properties are of higher specification.

3.2.4. Vacancy Period

In the units that are currently vacant we have applied in our cash flow a vacancy period between 3 and 9 months to find a tenant in the market.

In case the unit is let at a levels above or at market levels we have assumed that the lease is renewed with the same tenant at market rental levels. In the cases where the unit is occupied and there is a potential upside in rents, we have applied in our cash flow a vacancy period between 1 and 9 months (defined on a case by case basis, and in line with the current market) upon lease expiry to identify a new tenant at market rates. The void period ranges. In case the unit is let at a levels above or at market levels we assume that the contract is renewed with the same tenant.

3.2.5. Operating Expenses

Although generally speaking, the common expenses of the building are recovered from the tenants, there is a part of the expenses that are non-recoverable (community expenses and IBI of vacant units, insurance, and other expenses). We have been provided by the Client with property expenses incurred on a regular basis, such as common charges, insurance and property tax which are not recovered from the tenants, and are a cost to the owner of the properties. We have analysed this information and consider it to be reasonable and in line with market standard rates. We have applied a cost in our cash flow calculation in line with the non-recoverable expenses ratio according to the information provided.

There are costs that are fixed and there are costs that vary with the occupancy levels (e.g. when the apartments become vacant the owner has to bear the cost of common charges). Variable owner costs occur in periods with vacancy and are weighted into the cash flow in periods with vacancy. The level of the variable owner costs is based on reference values from our knowledge of similar properties.

Regarding management fee costs, we have made our own estimate based on experience in the sector, applying approximately 3%-5% of the rental income (c.15 euros per unit per month). These costs would cover outsourced services of management of the properties including rent collection.

In our cash flow projections we have assumed that the operating costs grow according to inflation.

3.2.6. Capital Expenses

Fixed maintenance costs reflect the costs that cannot be allocated to the tenant through the common costs and are not related to area specific fit out costs in relation to new tenants. Maintenance costs include replacements of technical facilities, maintenance of exterior/foundation, replacement of elevators/escalators and other substantial investments. These maintenance costs do not occur each year, but occur in cycles throughout the property life span. In our valuation, these types of costs are calculated as a yearly deposition on annual rents.

We have applied a Capex allowance to each building, considering its current state of repair and cross-checking this to be a reasonable amount throughout the full period of the 10 year cashflow, ensuring that the properties will be kept in an adequate condition to be rented at ERV levels. This includes not only the regular maintenance of each unit but also the good state of repair of the common areas. In order to reach the proper level of maintenance, we have applied an annual capex provision in the region of €10 per sq m per annum.

3.2.7. Discount rate

In our cash flow analysis, we use a nominal discount rate to discount the cashflow. The discount rate is derived from Savills' current perception of property risk. The discount rate is based on prime yields with an allowance for inflation and property specific subjective opinions regarding location, quality, contractual and counterpart risk.

We have applied discount rates ranging from 5.0%-7.0% equating to a weighted average discount rate for this sub portfolio of 5.40%. It is important to note that the applied discount rates reflect the conservative nature of our cash flow assumptions i.e. we have assumed conservative price/rental growth in line with CPI. Had we applied more optimistic rental growth assumptions in line with expectations of some investors (double digit rental growth in the coming years), we would have adopted higher discount rates.

3.2.8. Estimating terminal value

The valuation model assumes a cyclical calculation of income and costs. When calculating terminal value we take into account a long term cost and income potential. This potential is estimated over a long period so that cyclical costs and income are levelled out (the terminal value is based on the fact that the property is in a "steady state").

Savills has applied a specific exit yield on an asset-by-asset basis (and differentiating residential vs commercial assets). Net exit yield has been estimated based on current market levels and including subjective opinions regarding location and quality of each specific asset.

Exit yield for residential properties range and 3-5.5%. The exit yield is based on transactional yield of similar properties which vary with each property's specific characteristics such as location, quality, expectations of future rental growth, contractual and counterpart risk. We have applied a weighted average exit yield of 3.77%.

3.2.9. Purchaser's Costs & disposal costs

We have had regard to purchaser's acquisition costs which include transfer tax, legal/notary fees and agent fees on the initial acquisition of the property and disposal fees which include agent and legal fees which we have deducted to the Gross Present Value from our cash flow calculation to arrive at the Net Present Value i.e. the Market Value. This amounts to 2-4% of the acquisition amount (including AJD transfer tax, registry costs, legal and agent fees). We have assumed a cost of around 1% of the disposal value in year 10 of our cash flow to cover for legal and agent fees.

3.3. Liquidation Method - Residential units

3.3.1. Methodology

In this methodology, we have assumed in our cash flow calculation that the residential units would be sold individually to third parties once the existing leases expire and the units become vacant.

3.3.2. Rental Income

In determining the rental income we have taken into consideration the current agreed rents between landlord and tenant for the duration of the existing lease. Upon expiry of the current leases and/or the protection regime we assume that the properties are sold therefore there is no rental income once since the first expiry date.

3.3.3. Determination of selling prices

In our valuation, we assume sales prices levels per area type according to market rates derived from comparable properties in the market. The assumptions are based on material compiled from the Research department within Savills, available information on asking prices in comparable buildings, discussions with our brokers and our subjective opinions of the appropriate level for a specific area. We have also checked our estimation of sales prices with completed transactions obtained from the Property Registry; this source of information compiles factual deals that have taken place in the immediate surroundings of each building until June 2017 (last information available on transactions).

As a conclusion to our market research, we apply a basic or standard market value per square meter per building; this ratio is corrected depending on the building floor and depending on the apartment size. We have considered CPI growth to the applied sales prices, **excluding any HPA** (Housing Price Appreciation) above inflation from our calculations, in order to strip out this speculative element in our valuation approach.

In our calculations we assume that each residential unit will be sold together with one parking space and one storage unit. The excess of parking spaces would be sold separately.

The weighted average sales price for the residential properties where we applied the liquidation method was in the region of 2,436 € per sq m.

3.3.4. Sales Rhythm

Our assumption is to sell units individually once the current leases expire. In the case of social housing, the units remain under the rental regime until the protection expires. After that date, we assume that the units are sold individually at market levels.

The estimated marketing period varies between 1 and 24 months after the contract ending date and expiry of “public protection”.

3.3.5. Operating Expenses

Although generally speaking, the common expenses of the building are recovered from the tenants, there is a part of the expenses that are non-recoverable (community expenses and IBI of vacant units, insurance, and other expenses). We have been provided by the Client with property expenses incurred on a regular basis, such as common charges, insurance and property tax which are not recovered from the tenants, and are a cost to the owner of the properties. We have analysed this information and consider it to be reasonable and in line with market standard rates. We have applied a cost in our cash flow calculation in line with the non-recoverable expenses ratio according to the information provided.

There are costs that are fixed and there are costs which vary with the occupancy levels (e.g. when the apartments become vacant the owner has to bear the cost of common charges). Variable owner costs occur in periods with vacancy and are weighted into the cash flow in periods with vacancy. The level of the variable owner costs is based on reference values from our knowledge of similar properties.

Regarding management fee costs, we have made our own estimate based on experience in the sector, applying approximately 3%-5% of the rental income (c.15 euros per unit per month). These costs would cover outsourced services of management of the properties including rent collection.

In our cash flow projections we have assumed that the operating costs grow according to inflation.

3.3.6. Capital Expenses

Fixed maintenance costs reflect the costs which cannot be allocated to the tenant through the common costs and are not related to area specific fit out costs in relation to new tenants. Maintenance costs include replacement of technical facilities, maintenance of exterior/foundation, replacement of elevators/escalators and other substantial investments. These maintenance costs do not occur each year, but occur in cycles throughout the property life span. In our valuation, these types of costs are calculated as a yearly deposition on annual rents.

We have applied a Capex allowance to each building, considering its current state of repair and cross-checking this to be a reasonable amount throughout the full period of the 10 year cashflow, ensuring that the properties will be kept in an adequate condition to be rented at ERV levels. This includes not only the regular maintenance of each unit but also the good state of repair of the common areas. In order to reach the proper level of maintenance, we have applied an annual capex provision in the region of €10 per sq m per annum.

3.3.7. Discount rate

In our cash flow analysis, we use a nominal discount rate to discount the cashflow. The discount rate is derived from Savills' current perception of property risk. The discount rate is based on prime yields with an allowance for inflation and property specific subjective opinions regarding location, quality, contractual and counterpart risk.

We have applied discount rates ranging from 4.0%-7.5% equating to a weighted average discount rate for this sub portfolio of 5.64%. It is important to note that the applied discount rates reflect the conservative nature of our cash flow assumptions i.e. we have assumed conservative price/rental growth in line with CPI. Had we applied more optimistic rental growth assumptions in line with expectations of some investors (double digit rental growth in the coming years), we would have adopted higher discount rates.

3.3.8. Purchaser's Costs

We have had regard to purchaser's acquisition costs which include transfer tax, legal/notary fees and agent fees on the initial acquisition of the property and disposal fees which include agent and legal fees which we have deducted to the Gross Present Value from our cash flow calculation to arrive at the Net Present Value i.e. the Market Value. This amounts to 2-4% of the acquisition amount (including AJD transfer tax, registry costs, legal and agent fees). We have assumed a cost of agent fees of 3% of the sales price and applied to the individual disposal of the units to third parties.

3.4. Retail component. Valuation Method.

In arriving at our opinions of value for the retail component, we have adopted a similar approach to the valuation of the residential element. We have also applied the investment or liquidation methodology on the basis of whether the ownership comprises 100% of the condominium. We have applied a weighted average discount rate for the retail properties valued under the liquidation methodology of 8.71%. We have applied a weighted average discount rate for the retail properties valued under the investment methodology of 7.10% and a weighted average exit yield of 5.49%.

3.5. Benta Berri

3.5.1. Methodology

This property has very specific tenure and tenancy terms. The households that integrate the development are under a theoretical surface right with a minimum duration of 75 years, in whose end (year 2069) according to Right of Surface Document ("Escritura de Constitución del Derecho de Superficie"), the built part will be integrated in the General Administration patrimony of Autonomous Community of País Vasco, unless the beneficiaries accessed to the property of the land by any valid mean of the law – Purchase from the liberalisation date (august 2028), in that case the allowed Right of Surface will be extinguished.

To reflect these very specific terms we have approached the valuation on a discounted cash flow calculation under following assumptions:

- Until the liberalisation date, we assumed the rental income from the contracted rent with exception of the vacant units, on which we assume the renting prices of the subsidized household of Basque Country, transformed for built area (coefficient 1.33).
- On year 2028, as a consequence of the liberalisation the sale of the full promotion is considered (only the building, excluding the land) to an institutional investor.

- The valuation has been carried out through a 10 years cash flow discount, so that the exit date is on year 2026, two years before of the permission for the process described in the previous point. For this reason we assume that the property will be purchased by an institutional investor, who according to the current market procedures will demand a 25% of the net margin over the final sale price, assumed as opportunity cost, until the 2028 year in which will have the full ownership.
- For the calculation of the final sale Price on year 2028, on first place it has been obtained the average market price currently homogenized, according to comparables around the zone. It has been obtained the average price of the urban land from the INE (Spanish Statistics Institute), for the Guipuzcoa Province. Afterwards both prices has been indexed according to the corresponding CPI until the liberalisation date (2028). The land value has been discounted from the obtained final sale price, and finally, the margin of 25% previously meant has been applied.
- Discounting the land value from the obtained market value responds to the need of set a price that the buyer will have to pay to the Urban Planning Department, Household and Environment del Basque Country Government for the extinction of the meant Right of Surface, and as a consequence being the owner of the building and the land.

3.6. Top 10 property complexes

You have requested we detailed the key valuation assumptions for the Top 10 property complexes which account for an aggregate Market Value of 1,066,717,000 Euros as at December 2017 (accounting for c. 47% of the total aggregate Market Value of the subject portfolio). We have identified the Top 10 property complexes to be the following:

Property	Autonomous Community	Province	Address
PLAZA DE CASTILLA	Madrid	Madrid	CL San Benito
C. VENADITO	Madrid	Madrid	CL Condesa De Venadito
MIRADOR LAS TABLAS B11	Madrid	Madrid	CL San Juan De Ortega
MANZANA CASTELLANA	Madrid	Madrid	MZ Manzana Castellana
FRANCISCO REMIRO	Madrid	Madrid	CL Francisco Remiro
SALVADOR DALÍ	Balearic Islands	Balearic Islands	CL Juan Gris
TAMARACEITE	Canary Islands	Las Palmas de GC	CL Isabel Macario Brito Soprano
BENICALAP	Valencian Community	Valencia	CL Encarna Albarracín
BENTA BERRI CONCESIÓN	Basque Country	San Sebastián	CL Resureccion M ^a de Azkue
COTO COMPLEX	Madrid	Madrid	Various

For valuation purposes we have split the Coto Complex into the 6 housing developments that comprise the full complex, which are:

Property (Coto complex)	Address
LAS ENCINAS (S1)	Algabeño
LOS OLIVOS (S2)	Vicente Morales
LOS CASTAÑOS (S3)	Algabeño
LOS ROBLES (S7)	Algabeño
LAS HUERTAS (S14)	Papa Negro
LA ROSALEDA (S15)	Diego Ayllon

For valuation purposes we have also split within each property the retail and the residential element applying different valuation parameters (e.g. exit yield, discount rates) to each element. In the specific case of the Plaza de Castilla property we have valued the parking element separately as the whole parking is let to a third party on a long term lease.

3.6.1. Top 10 property complexes – Properties valued under the Investment methodology

For the properties that we valued under the investment methodology from the sample of the Top 10 property complexes we have applied the following assumptions regarding rental income:

Short Report

ID	Property	Valuation Approach	Main Use	GLATotal (m²)	ERV Resi(€/m²/month)	ERV Retail €/m²/month	Passing as 31/12/2017 (€/year)*	Rent Market at 100% occupancy (€/year)**	Rent
4.01	PLAZA DE CASTILLA	Investment	Residential	18,987	15.8 €	- €	2,517,428 €	3,607,427 €	
127	PLAZA DE CASTILLA	Investment	Parking	16,250	- €	- €	486,883 €	500,500 €	
4.02	PLAZA DE CASTILLA	Investment	Retail	1,272	- €	53.7 €	812,681 €	818,978 €	
	Total - PLAZA DE CASTILLA				15.8 €	53.7 €	3,816,992 €	4,926,904 €	
29.01	MANZANA CASTELLANA	Investment	Residential	35,177	16.2 €	- €	2,826,213 €	5,582,674 €	
29.02	MANZANA CASTELLANA	Investment	Retail	4,266	- €	11.2 €	304,176 €	574,639 €	
	Total - MANZANA CASTELLANA				16.2 €	11.2 €	3,130,390 €	6,157,313 €	
50	Total - FRANCISCO REMIRO	Investment	Residential	9,585	13.4 €	- €	1,073,563 €	1,315,549 €	
93.01	BENICALAP	Investment	Residential	21,469	5.7 €	- €	840,111 €	1,629,710 €	
93.02	BENICALAP	Investment	Retail	3,485	- €	4.4 €	- €	118,072 €	
	Total - BENICALAP				5.7 €	4.4 €	840,111 €	1,747,783 €	
114.01	Total - BENTA BERRI CONCESIÓN		Residential	64,436	13.5 €	- €	3,963,687 €	- €	
115.01	LAS ENCINAS (S1)	Investment	Residential	18,781	14.9 €	- €	1,601,884 €	2,099,296 €	
115.02	LAS ENCINAS (S1)	Investment	Retail	1,327	- €	32.7 €	519,623 €	520,655 €	
	Total - LAS ENCINAS (S1)				14.9 €	32.7 €	2,121,507 €	2,619,951 €	
116.01	LOS OLIVOS (S2)		Residencial	25,351	14.9 €	- €	1,969,841 €	2,790,859 €	
116.02	LOS OLIVOS (S2)		Comercial	178	- €	22.1 €	- €	47,206 €	
116.01	Total - LOS OLIVOS (S2)	Investment	Residencial		14.9 €	22.1 €	1,969,841 €	2,838,064 €	
117.01	LOS CASTAÑOS (S3)	Investment	Residential	21,587	14.8 €	- €	2,046,203 €	2,783,357 €	
117.02	LOS CASTAÑOS (S3)	Investment	Retail	1,007	- €	27.7 €	293,398 €	334,344 €	
	Total - LOS CASTAÑOS (S3)				14.8 €	27.7 €	2,339,601 €	3,117,701 €	
118.01	LOS ROBLES (S7)	Investment	Residential	10,656	14.8 €	- €	983,316 €	1,310,485 €	
118.02	LOS ROBLES (S7)	Investment	Retail	292	- €	19.5 €	28,800 €	68,323 €	
	Total - LOS ROBLES (S7)				14.8 €	19.5 €	1,012,116 €	1,378,809 €	
120.01	LAS HUERTAS (S14)	Investment	Residential	23,885	15.0 €	- €	2,131,687 €	3,058,859 €	
120.02	LAS HUERTAS (S14)	Investment	Retail	1,138	- €	28.9 €	310,476 €	394,016 €	
	Total - LAS HUERTAS (S14)				15.0 €	28.9 €	2,442,163 €	3,452,875 €	
121.01	LA ROSALEDA (S15)	Investment	Residential	8,973	16.9 €	- €	789,515 €	1,127,249 €	
121.02	LA ROSALEDA (S15)	Investment	Retail	1,545	- €	40.2 €	722,989 €	744,757 €	
	Total - LA ROSALEDA (S15)				16.9 €	40.2 €	1,512,504 €	1,872,005 €	

* Annualized gross rents calculated as passing gross rents per company's lease agreement as of December 31, 2017

** Market Rent included in this table assumes full occupation and includes rents for additional ancillary space such as parking spaces and storage units besides in the main residential unit.

For the properties that we valued under the investment methodology from the sample of the Top 10 property complexes we have applied the following assumptions regarding the discounted cash flow calculations:

ID	Property	Valuation Approach	NOI Year 1 (€)*	Exit Yield (%)	Discount Rate (%)	NIY (%)	Market Value (€)	MV (€/sq m)
4.01	PLAZA DE CASTILLA	Investment	2,194,608 €	3.00%	5.00%	2.44%	91,200,000 €	4,803 €
127	PLAZA DE CASTILLA	Investment	480,130 €	3.00%	5.00%	3.14%	15,299,000 €	- €
4.02	PLAZA DE CASTILLA	Investment	924,579 €	4.75%	6.50%	5.55%	16,670,000 €	13,106 €
	Total - PLAZA DE CASTILLA		3,599,317 €				123,169,000 €	
29.01	MANZANA CASTELLANA	Investment	2,479,460 €	3.00%	5.50%	1.82%	135,876,000 €	3,926 €
29.02	MANZANA CASTELLANA	Investment	255,697 €	6.00%	8.00%	3.46%	7,383,000 €	1,731 €
	Total - MANZANA CASTELLANA		2,735,157				143,259,000 €	
50	Total - FRANCISCO REMIRO	Investment	840,712 €	3.50%	6.00%	2.77%	30,326,000 €	3,998 €
93.01	BENICALAP	Investment	633,927 €	4.00%	6.00%	2.15%	29,477,000 €	1,920 €
93.02	BENICALAP	Investment	20,030 €	7.00%	9.00%	1.50%	1,339,000 €	597 €
	Total - BENICALAP		653,958				30,816,000 €	
114.01	Total - BENTA BERRI CONCESIÓN		3,433,974 €	3.50%	5.50%		164,704,000 €	3,482 €
115.01	LAS ENCINAS (S1)	Investment	1,719,693 €	4.00%	5.00%	2.96%	58,063,000 €	4,960 €
115.02	LAS ENCINAS (S1)	Investment	417,891 €	5.50%	7.00%	4.73%	8,835,000 €	6,658 €
	Total - LAS ENCINAS (S1)		2,137,585				66,898,000 €	
116.01	LOS OLIVOS (S2)		2,081,320 €	4.00%	5.00%	2.69%	76,033,000 €	4,889 €
116.02	LOS OLIVOS (S2)		- €	5.50%	8.00%	0.00%	736,000 €	4,135 €
	Total - LOS OLIVOS (S2)	Investment	2,081,320				76,769,000 €	
117.01	LOS CASTAÑOS (S3)	Investment	2,157,231 €	4.00%	5.00%	2.81%	76,745,000 €	4,916 €
117.02	LOS CASTAÑOS (S3)	Investment	291,937 €	5.50%	6.50%	4.78%	6,109,000 €	6,064 €
	Total - LOS CASTAÑOS (S3)		2,449,169				82,854,000 €	
118.01	LOS ROBLES (S7)	Investment	1,075,904 €	4.00%	5.00%	2.96%	36,334,000 €	4,923 €
118.02	LOS ROBLES (S7)	Investment	41,981 €	6.00%	7.25%	3.68%	1,142,000 €	3,913 €
	Total - LOS ROBLES (S7)		1,117,885				37,476,000 €	
120.01	LAS HUERTAS (S14)	Investment	2,252,550 €	4.00%	5.00%	2.69%	83,675,000 €	4,919 €
120.02	LAS HUERTAS (S14)	Investment	340,026 €	5.00%	6.50%	4.49%	7,581,000 €	6,663 €
	Total - LAS HUERTAS (S14)		2,592,577				91,256,000 €	
121.01	LA ROSALEDA (S15)	Investment	865,003 €	3.50%	5.00%	2.83%	30,524,000 €	5,502 €
121.02	LA ROSALEDA (S15)	Investment	698,781 €	5.50%	7.00%	5.31%	13,150,000 €	8,513 €
	Total - LA ROSALEDA (S15)		1,563,784				43,674,000 €	
	TOTAL						891,201,000 €	

*NOI Year 1 – Net Operating Income of the first 12 months of our cash flow projection

3.6.2. Top 10 property complexes – Properties valued under the Liquidation methodology

For the properties we valued under the liquidation methodology from the sample of the Top 10 property complexes we have applied the following assumptions regarding rental income and average liquidation prices:

Short Report

					Liquidation Price (€/m²)			
ID	Property	Valuation Approach	Main Use	GLATotal (m²)	Resi(€/m²)	Retail (€/m²)	Occupancy (%)	Passing Rent as at 31/12/2017 (€/year)*
15.01	C. VENADITO	Liquidation	Residential	21,082	3,041 €	- €	83%	1,582,450 €
15.02	C. VENADITO	Liquidation	Retail	433	- €	1,641 €	17%	8,371 €
	Total - C. VENADITO			21,515	3,041 €	1,641 €		1,590,821 €
16	Total - MIRADOR LAS TABLAS	Liquidation	Residential	16,296	3,159 €	- €	89%	1,160,548 €
64.01	SALVADOR DALÍ	Liquidation	Residential	37,821	1,652 €	- €	88%	1,790,838 €
64.04	SALVADOR DALÍ	Liquidation	Retail	2,370	- €	1,526 €	18%	17,052 €
	Total - SALVADOR DALÍ			40,192	1,652 €	1,526 €		1,807,890 €
69.01	TAMARACEITE	Liquidation	Residential	44,991	1,333 €	- €	85%	1,741,750 €
69.05	TAMARACEITE	Liquidation	Retail	9,838	- €	1,173 €	9%	77,663 €
	Total - TAMARACEITE			54,829	1,333 €	1,173 €		1,819,413 €

For the properties we valued under the liquidation methodology from the sample of the Top 10 property complexes we have applied the following assumptions regarding the discounted cash flow calculations:

ID	Property	Discount Rate (%)	Market Value (€)	MV (€/sq m)
15.01	C. VENADITO	6.00%	46,634,000 €	2,808 €
15.02	C. VENADITO	9.00%	636,000 €	1,469 €
	Total - C. VENADITO		47,270,000 €	
16	Total - MIRADOR LAS TABLAS	5.00%	37,639,000 €	3,126 €
64.01	SALVADOR DALÍ	6.50%	44,638,000 €	1,462 €
64.04	SALVADOR DALÍ	9.00%	897,000 €	1,314 €
	Total - SALVADOR DALÍ		45,535,000 €	
69.01	TAMARACEITE	6.50%	37,262,000 €	1,256 €
69.05	TAMARACEITE	9.00%	7,810,000 €	983 €
	Total - TAMARACEITE		45,072,000 €	
	TOTAL		175,516,000 €	

3.7. Summary

Applying the above described methodologies we have arrived at an aggregate Market Value of 2,275,521,000 Euros.

In the valuation of the properties that are classified as Investment Properties we have applied the following average figures:

Per category for the properties valued under the liquidation methodology:

Categories	Discount Rate (%)
Premium	5.71%
Core	5.72%
Non Core	6.15%
Total	5.71%

Per category for the properties valued under the investment methodology:

Categories	Discount Rate (%)	Exit Yield (%)
Premium	5.41%	3.81%
Core	6.10%	4.35%
Non Core	5.67%	4.00%
Total	5.51%	3.89%

4. General Assumptions, Conditions to Valuations & Special Assumptions

4.1. General Assumptions, Conditions to Valuation & Special Assumptions

4.1.1. General Assumptions

Our valuations have been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it. We have assumed:

1. That the Freehold and Leasehold interest is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings that we are unaware of. We have not made any enquiries at the local Register Office, and, therefore, should future enquiries reveal that there are any mortgages or charges, we have assumed that the Asset would be sold free of them. We have not examined the Title Deeds or Land Registry Certificate.
2. That we have been supplied with all information likely to have an effect on the value of the Asset, and that the information supplied to us is both complete and correct. We do not accept responsibility for any errors or omissions in information and documentation provided to us.
3. That the buildings have been constructed and is used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
4. That the properties are not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed **by a local search or normal solicitors' enquiries**, or by any statutory notice (other than those points referred to above).
5. That the buildings are structurally sound, and that there is no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or construction techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the property and this report do not constitute a building survey.
6. That the properties are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
7. That in the construction or alteration of the buildings, no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.

8. That the ownership and possible exploitation of mineral substances and/or gases present in the subsoil have not been considered.
9. That the properties have not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
10. That there are no adverse site or soil conditions, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuation.
11. That all fixed plant and machinery and the installation thereof complies with the relevant legislation. No allowance has been made for rights, obligations or liabilities arising as a result of defective premises.
12. That the tenants are capable of meeting their obligations, and that there are no undisclosed arrears of rent or breaches of covenant. For valuation purposes it is assumed that the tenants comply their obligations, and that there will be no delays in the payment of rent or undisclosed contractual breaches.
13. That the occupational leases are drawn on terms acceptable to your solicitors including provisions for repair and indexation.

4.1.2. General Conditions

Our valuation has been carried out on the basis of the following general conditions:

1. Our valuation(s) are exclusive of VAT (if applicable).
2. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property(ies).
3. No allowance has been made for any expenses of realisation.
4. Excluded from our valuation(s) is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
5. In all cases, our valuation report includes facilities that are normally transferred with the property, such as boilers, heating and air conditioning, lighting and ventilation, sprinklers, etc., while the equipment that is normally removed before the sale has been excluded from our opinion of value.
6. It has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant EEC legislation.

7. Output prices of different products are those with whom will go on sale at the market uses different delivery date. To estimate the value a basis comparable are taken to the valuation date.

4.1.3. Special Assumptions

According to RICS, only special cases can be established if they are reasonably achievable, relevant and valid in relation to the special circumstances of the valuation. Appendix 4 of Red Book defines and gives examples of Special Assumptions.

In this report we have not been carried out any special assumptions.

Jesús D. Mateo MRICS
Director Advisory & Valuation
SAVILLS SPAIN

Eduardo Martins Pimenta MRICS
Associate Director Advisory & Valuation
SAVILLS SPAIN

ANNEX II – SPANISH TRANSLATION OF THE SUMMARY

[Este resumen es un extracto de la información incluida en el Documento Informativo original, el cual ha sido redactado en inglés. Ante cualquier cuestión relativa a la interpretación, la versión en inglés prevalece sobre la versión en castellano]

RESUMEN

Introducción y advertencias

El presente resumen del Documento Informativo para la incorporación al Mercado Alternativo Bursátil (en adelante, “**MAB**”) de las acciones ordinarias de Testa Residencial, SOCIMI, S.A. (en adelante, “**Testa**” o la “**Sociedad**”), está dividido en cuatro apartados (“Introducción y advertencias”, “Emisor”, “Valores” y “Riesgos”). En este sentido, debe advertirse que este resumen debe leerse como introducción al Documento Informativo y que toda decisión de invertir en los valores debe estar basada en la consideración por parte del inversor del Documento Informativo en su conjunto.

D. Wolfgang Beck, actuando en nombre y representación del Consejo de Administración de la Sociedad, en su capacidad como representante autorizado de la Sociedad conforme al acuerdo del Consejo de Administración adoptado el 16 de julio de 2018, y en ejercicio a su vez sobre la base del acuerdo de la Junta de Accionistas de la Sociedad adoptado el mismo día, asume, en representación del Consejo de Administración de la Sociedad, la responsabilidad sobre la información contenida en el presente Documento Informativo que también contiene toda la información requerida según el Apéndice de la Circular MAB 9/2017, sobre requisitos y procedimiento aplicables a la incorporación y exclusión en el mercado alternativo bursátil de acciones emitidas por Empresas En Expansión y por Sociedades Anónimas Cotizadas De Inversión en el Mercado Inmobiliario (SOCIMIs).

Habiendo tomado todas las precauciones razonables para garantizar que así sea, la información contenida en el mismo es, según su leal saber y entender, conforme con la realidad y no incurre en ninguna omisión relevante que pueda afectar a su contenido.

Emisor

Identificación completa de la Sociedad.

Testa Residencial, SOCIMI, S.A. es una sociedad mercantil anónima de duración indefinida, con N.I.F. A-82865890 y domicilio social en Paseo de la Castellana número 257, Madrid (28046). Fue constituida por tiempo indefinido bajo la denominación inicial de Vallehermoso Patrimonio, S.A., en virtud de la escritura pública autorizada por el Notario de Madrid D. José Aristónico García Sánchez, con fecha 4 de enero de 2001, con el número 5 de su protocolo; inscrita en el Registro Mercantil de Madrid con fecha 24 de enero de 2001 en el Tomo 16.114, Folio 1, Sección 8, Hoja M-272946 e Inscripción 1ª.

Con fecha 22 de septiembre de 2016, el entonces accionista único de la Sociedad, Testa Inmuebles en Renta, SOCIMI, S.A. (en adelante, “**TIRSA**”), aprobó el acogimiento de la Sociedad al régimen fiscal especial de las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMIs).

Breve descripción del negocio de la compañía y su estrategia.

Principales hitos corporativos

La Sociedad fue constituida el 4 de enero de 2001 como Vallehermoso Patrimonio, S.A. Sin embargo, debido a los significativos cambios que ha sufrido en términos de tamaño y cartera inmobiliaria o *portfolio* en los últimos años, tan solo los acontecimientos posteriores a 2016 son representativos de su actual escala y alcance de negocio.

En junio de 2016 se aprobó la fusión por absorción del accionista único de la Sociedad a dicha fecha, TIRSA, en Merlin Properties SOCIMI, S.A. (en adelante, “**Merlin**”). Como resultado de la fusión, completada en octubre de 2016, Merlin pasó a ser el accionista único de la Sociedad.

También en junio de 2016, Merlin llegó a un acuerdo con Metrovacesa y sus principales accionistas en esa fecha (Banco Santander, BBVA y Banco Popular, ahora Banco Santander) para crear el vehículo inmobiliario de alquiler residencial de referencia en España. La transacción, que se ejecutó en octubre de 2016, consistió en un *spin-off* de

Metrovacesa y la posterior integración de su unidad de negocio residencial en la Sociedad. Dicha unidad de negocio consistía principalmente en propiedades inmobiliarias residenciales destinadas al alquiler, con un valor bruto agregado de aproximadamente 692 millones de euros en aquel momento, así como tesorería, cierto personal, acciones y activos de filiales, contratos y aproximadamente 250 millones de euros de pasivo financiero. En contraprestación por el negocio recibido, Testa emitió 3.075.278.154 acciones, íntegramente suscritas por los accionistas de Metrovacesa. Como consecuencia de dicha operación, en octubre de 2016 los accionistas de Metrovacesa a la fecha adquirieron aproximadamente el 65,7% del capital de la Sociedad.

En julio de 2016 la Sociedad cambió su denominación social a Testa Residencial, S.A.U. y en septiembre de ese mismo año el entonces accionista único aprobó la solicitud de acogimiento de la Sociedad al régimen fiscal de SOCIMIs, cambiando su denominación social a Testa Residencial, SOCIMI, S.A.

En marzo de 2017 Banco Santander, BBVA y Banco Popular (ahora Banco Santander), entre otros, llevaron a cabo una aportación de activos valorada en aproximadamente 660 millones de euros a cambio de 5.221.817.098 acciones de la Sociedad, que representaban aproximadamente el 52,8% del capital a la fecha.

En julio de 2017, Testa y Acciona Real Estate, S.A. (en adelante “**Acciona**”) suscribieron un contrato de inversión regulando la contribución por Acciona de su negocio de alquiler residencial y la contribución por Real Estate Deal II, S.A., en liquidación, de ciertos activos inmobiliarios en Madrid, a cambio de 2.687.678.678 acciones de Testa. Dicha operación se ejecutó en septiembre de 2017.

En septiembre de 2017, la Sociedad adquirió 134 apartamentos de BuildingCenter, S.A.U. (en adelante “**BuildingCenter**”), la filial inmobiliaria de CaixaBank, S.A. y en diciembre de 2017, la Sociedad adquirió 26 apartamentos de Santander Ahorro Inmobiliario 1, S.A., miembro del Grupo Banco Santander. En marzo de 2018, Testa llegó a un acuerdo adicional con BuildingCenter para adquirir una cartera inmobiliaria, por un precio agregado de compra de aproximadamente 227 millones de euros. A la fecha del presente Documento Informativo, Testa ha adquirido 1.450 apartamentos de los 1.458 que integran dicha cartera, por un precio de compra de 226 millones de euros. En junio de 2018, la Sociedad adquirió de BuildingCenter, seis aparcamientos adicionales de un edificio incluido en la cartera BuildingCenter, por un precio de 24.356,58 euros.

En abril de 2018, el Consejo de Administración de Testa junto con el Administrador Único de Compañía Urbanizadora de Coto, S.L. (en adelante, “**Coto**”), prepararon y firmaron un proyecto común de fusión por absorción de Coto, disponible en la web de la Sociedad y de acuerdo con las previsiones de la Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles. La Sociedad tiene una participación del 99,65% en el capital social de Coto. La cartera de activos de Coto se compone de seis proyectos residenciales (con 834 apartamentos), otras unidades residenciales y aparcamientos independientes, y un edificio de oficinas. Dichas propiedades tienen un valor bruto agregado de 409 millones de euros (399 millones de los cuales corresponden a los seis proyectos residenciales). La fusión planeada fue aprobada por el consejo de administración de la Sociedad, en mayo de 2018, y por la junta general de accionistas de Coto, en julio de 2018. La fusión tendrá lugar después de la incorporación a negociación de la Sociedad al MAB, tras la que Coto se integrará en Testa por sucesión universal de su patrimonio.

Introducción a la estrategia y cartera de activos de la Sociedad

A la fecha del presente Documento Informativo, Testa es la mayor SOCIMI de alquiler residencial en España. La estrategia de Testa se basa en la adquisición y gestión de activos residenciales ubicados en zonas metropolitanas con mayor potencial de crecimiento. La gestión de la Sociedad es llevada a cabo por una plantilla de más de 80 empleados liderados por un equipo directivo con una experiencia media de más de 16 años en el sector inmobiliario.

La cartera de Testa a 31 de diciembre de 2017 consta de 9.244 viviendas, 295 locales comerciales ubicados en los edificios donde están situadas las viviendas, un edificio de oficinas y un aparcamiento en Plaza Castilla (en rotación). El valor de mercado de la cartera a 31 de diciembre de 2017 de acuerdo al informe de valoración realizado por Savills Consultores Inmobiliarios, S.A. (en adelante, “**Savills**”) asciende aproximadamente a 2.276 millones de euros. Asimismo, los ingresos brutos anualizados de la cartera ascienden, a 31 de diciembre de 2017, a 72,3 millones de euros. Se debe señalar que los anteriores valores no contemplan la adquisición de la cartera de BuildingCenter, parcialmente finalizada a la fecha del presente Documento Informativo, ni la terminación del derecho de superficie sobre los apartamentos de Campo de Tiro, ocurrida en mayo de 2018.

A continuación se presenta un cuadro resumen con los principales parámetros de la cartera de Testa a 31 de diciembre 2017, por área metropolitana:

Segmento/Área metropolitana	Total Cartera					Cartera residencial				
	GAV (€MM)	GAV (%)	GRI (€MM) ⁽¹⁾	GRI (%) ⁽¹⁾	Gross Yield(%) ⁽²⁾	Nº Viviendas	GAV (€m²) ⁽³⁾	Renta media (€/m² /mes) ⁽⁴⁾	Renta media (€/vivienda/ mes) ⁽⁵⁾	Ocupación(%) ⁽⁶⁾
Premium y principales mercados										
Madrid ^{(7)(*)}	1.450	63,7	44,0	61,0	3,0	4.431	3.520	9,6	854	89
Ciudad de Madrid ^(*)	1.264	55,6	37,5	52,0	3,0	3.538	3.817	10,1	896	90
Municipios principales ^(*)	186	8,1	6,5	9,0	3,5	893	2.326	7,8	683	88
San Sebastián ^(**)	165	7,2	4,0	5,5	2,4	510	3.482	7,2	669	97
Barcelona ^(*)	94	4,1	2,9	4,0	3,1	319	3.553	10,3	831	90
Las Palmas de Gran Canaria ^(*)	67	2,9	2,5	3,5	3,8	455	1.468	5,3	468	96
Palma de Mallorca ^(*)	62	2,7	2,4	3,3	3,9	273	1.616	5,5	762	96
Valencia ^(**)	56	2,5	1,5	2,0	2,6	225	2.161	5,1	578	94
Toledo ^(**)	54	2,4	2,1	2,9	3,9	449	1.203	4,3	408	91
Pamplona ^(*)	46	2,0	2,1	2,9	4,5	401	1.271	5,0	453	96
Valladolid ^(**)	42	1,9	1,6	2,2	3,7	448	1.297	4,7	341	86
Oviedo ^(**)	35	1,5	0,9	1,2	2,7	217	1.727	5,1	493	75
Top 10 localizaciones	2.071	91,0	64,0	88,6	3,1	7.728	2.839	7,9	720	91
Otras localizaciones ⁽⁸⁾	84	3,7	2,6	3,6	3,0	499	1.816	5,4	490	87
Total premium y principales mercados	2.155	94,7	66,6	92,2	3,1	8.227	2.777	7,8	706	90
Activos no principales	121	5,3	5,7	7,8	4,7	1.017	1.042	5,4	467	82
Total cartera	2.275	100,0	72,3	100,0	3,2	9.244	2.593	7,5	682	90

(*) Mercados premium; (**) Mercados principales

- (1) Calculado con base en la extrapolación anual de las rentas brutas mensuales de los contratos vigentes a 31 de diciembre de 2017.
- (2) Calculado con base en la extrapolación anual de las rentas brutas mensuales de los contratos vigentes a 31 de diciembre de 2017, entre Valor Bruto de los Activos.
- (3) Valor Bruto de los Activos residenciales en nuestra cartera, dividido entre la Superficie Bruta Alquilable residencial a 31 de diciembre de 2017. La Superficie Bruta Alquilable residencial incluye la superficie de las viviendas y sus respectivas cuotas de los halls, escaleras y pasillos, pero no otras áreas comunes.
- (4) Calculado como las rentas brutas residenciales (€/mes) con base en los contratos de arrendamiento de la Sociedad a 31 de diciembre de 2017, entre la Superficie Bruta Alquilable residencial alquilada, a 31 de diciembre de 2017 (incluyendo la superficie de las viviendas y sus respectivas cuotas de los halls, escaleras y pasillos, pero no otras áreas comunes).
- (5) Calculado como las rentas brutas residenciales (€/mes) en base a los contratos de arrendamiento de la Sociedad a 31 de diciembre de 2017, entre el número de apartamentos alquilados a 31 de diciembre de 2017.
- (6) Superficie Bruta Alquilable residencial alquilada a 31 de diciembre de 2017, dividida entre la Superficie Bruta Alquilable residencial a 31 de diciembre de 2017, incluyendo en cada caso la superficie de las viviendas y sus respectivas cuotas de los halls, escaleras y pasillos, pero no otras áreas comunes.
- (7) Se refiere a la Comunidad Autónoma de Madrid.
- (8) Incluye Alicante, La Coruña, Vigo y Málaga.

Los principales factores que describen la cartera de activos de Testa, a 31 de diciembre de 2017, son los siguientes:

- **Tamaño:** con una cartera de valor bruto aproximado de 2.300 millones de euros, unos ingresos brutos anualizados de 72,3 millones de euros y una superficie bruta alquilable total de 882.000 metros cuadrados, Testa es la mayor SOCIMI de activos residenciales en España. Esta posición se ve fortalecida con la adquisición de la cartera BuildingCenter, compuesta por 1.458 viviendas, y con la adquisición de los seis aparcamientos adicionales de BuildingCenter. A la fecha del presente Documento Informativo, Testa ha adquirido 1.450 apartamentos de los 1.458 que integran dicha cartera, por un precio de compra de 226 millones de euros.

- Distribución geográfica: la cartera de Testa se concentra en las zonas metropolitanas más ricas de España, con perspectivas favorables en términos demográficos y de PIB. Asimismo, la Sociedad tiene una presencia muy relevante en la Comunidad de Madrid, donde se concentra aproximadamente el 65% del valor bruto de la cartera.

Adicionalmente, la cartera se ubica en menor medida en San Sebastián (7% del valor bruto), Barcelona (5% del valor bruto), Las Palmas de Gran Canaria (3% del valor bruto), Palma de Mallorca (3% del valor bruto) y otras áreas metropolitanas de España como Valencia (3% del valor bruto) y La Coruña (2% del valor bruto). En 2017, el PIB medio per cápita de cinco de las comunidades autónomas donde Testa tiene una mayor presencia (Madrid, País Vasco, Cataluña, Islas Canarias y Baleares) fue de 29.936 euros, en comparación con el promedio nacional de 24.999 euros (fuente: INE). Adicionalmente, el crecimiento medio esperado en el periodo 2016-2031 de los hogares en las comunidades autónomas donde la Sociedad está presente, ponderado por la distribución del valor bruto de los activos, es de entre 124% y 159% del crecimiento medio esperando de los hogares para los próximos años (fuente: Banco de España, INE).

- Tipo de activo: la cartera de Testa está compuesta principalmente por propiedades residenciales multifamiliares, respecto de las cuales tiene el pleno dominio. En particular, su cartera residencial y activos en propiedad representan aproximadamente el 95% y 93%, respectivamente, del valor bruto de los activos. Adicionalmente, las propiedades que contribuyen el 83% de los ingresos brutos anualizados a 31 de diciembre de 2017 no están sujetas a ningún régimen de protección social ni contratos de renta antigua. Asimismo, aproximadamente el 84% de los apartamentos de la Sociedad están situados en edificios en los que Testa es propietaria de la mayor parte de las propiedades, con aproximadamente el 60% de los activos ubicados en edificios que son enteramente propiedad de Testa. Estas últimas dos características de la cartera son clave para la implementación de prácticas de administración activa de propiedades y optimización de los gastos operativos.

Las viviendas tienen un tamaño promedio de aproximadamente 91 metros cuadrados por apartamento y aproximadamente el 70% tiene dos o tres habitaciones. El alquiler mensual promedio de la cartera residencial a 31 de diciembre de 2017 fue de aproximadamente 682 euros, y la tasa de ocupación de la misma fue de aproximadamente el 89,5%.

- Calidad de los activos: aproximadamente el 84% de los apartamentos de la Sociedad tienen una antigüedad inferior a 20 años, lo que reduce significativamente el riesgo de obsolescencia y el nivel de gastos de mantenimiento y *capex*, mientras permite una conversión mayor de flujos de tesorería.
- Elevado potencial de revisión de rentas: Testa considera que la cartera actual tiene un gran potencial para fijar nuevos precios, teniendo recorrido para la expansión en rentas y márgenes. Excluyendo las viviendas sujetas a algún tipo de régimen de protección social o renta antigua, la renta bruta media por metro cuadrado, a 31 de diciembre de 2017, ascendía a 8 euros, un 25% inferior al valor de mercado de la renta (*ERV*) estimado por Savills en su informe de valoración (9,9 euros).

Composición del Consejo de Administración y principales directivos

A fecha del presente Documento Informativo, los miembros del Consejo de Administración de Testa son:

- D. Ignacio Moreno Martínez (presidente y consejero independiente)
- D. Miguel Oñate Rino (vicepresidente y consejero dominical en representación de Merlin Properties SOCIMI, S.A.)
- D. Wolfgang Beck (consejero delegado)
- D. Javier Alarcó Canosa (consejero independiente)
- D. Antonio Hernández Mancha (consejero independiente)
- D.^a Azucena Viñuela Hernández^(*) (consejera independiente)
- D. José María Xercavins Lluch (consejero independiente)

- Finanzas y Cartera Uno, S.L.⁽¹⁾ (consejero dominical en representación de Acciona Real Estate, S.A.)
- Altamira Santander Real Estate, S.A.⁽²⁾ (consejero dominical en representación de entidades asociadas al Banco Santander: Banco Santander, S.A., LURI6, S.A.; LURI4, S.A. en liquidación; Altamira Santander Real Estate, S.A.; Banco Popular Español, S.A.; y Banco Pastor, S.A.U.)
- D. Carlos Manzano Cuesta (consejero dominical en representación de entidades asociadas al Banco Santander: Banco Santander, S.A., LURI6, S.A.; LURI4, S.A. en liquidación; Altamira Santander Real Estate, S.A.; Banco Popular Español, S.A.; y Banco Pastor, S.A.U.)
- D. Cesáreo Rey-Baltar Oramas (consejero dominical en representación de entidades asociadas al BBVA: Banco Bilbao Vizcaya Argentaria, S.A., UNNIM Sociedad para la Gestión de Activos Inmobiliarios, S.A., y Anida Operaciones Singulares, S.A.)

(*) La inscripción del nombramiento de D.ª Azucena Viñuela en el Registro Mercantil está pendiente a la presente fecha.

(1) Finanzas y Cartera Uno, S.L. está representado por D.ª Isabel Antúnez Cid.

(2) Altamira Santander Real Estate, S.A. está representado por D. Jaime Rodríguez Andrade.

El Secretario no consejero del Consejo de Administración es D. Lucas Osorio Iturmendi y la Vicesecretaria no consejera del Consejo de Administración es D.ª Selina Neira Bustamante.

A fecha del presente Documento Informativo, el equipo de la alta dirección de Testa se compone, dirigido por su consejero delegado D. Wolfgang Beck, por:

- D. Francisco Suárez Riobo (director financiero –CFO–)
- D. Javier Catena Gordo (director de operaciones –COO–)

Auditor de cuentas

Los estados financieros consolidados resumidos intermedios de la Sociedad correspondientes al periodo del 1 de enero al 31 de marzo de 2018, (los “**Estados Financieros Consolidados Resumidos Intermedios**”); que han sido sometidos a una revisión limitada por los auditores independientes Deloitte, S.L. y preparados de acuerdo con las Normas Internacional de Contabilidad 34, Información Financiera Intermedia.

Las cuentas anuales individuales y consolidadas del ejercicio terminado el 31 de diciembre de 2017 de la Compañía han sido auditadas por Deloitte, S.L. Las cuentas anuales individuales del ejercicio terminado el 31 de diciembre de 2016 también han sido auditadas por Deloitte, S.L.

Deloitte, S.L. fue nombrado como auditor de la Sociedad el 15 de septiembre de 2016 para auditar los ejercicios terminados en 2016, 2017 y 2018. Deloitte, S.L. no ha renunciado, sido cesado o no re-elegido como auditor independiente de la Sociedad, a la fecha del presente Documento Informativo.

Información financiera histórica

Las únicas cuentas anuales consolidadas anexadas a este Documento Informativo (ver Anexos III y IV) son las Cuentas Anuales Consolidadas, que se componen de (i) los Estados Financieros Consolidados Resumidos Intermedios, y (ii) las cuentas anuales consolidadas auditadas del ejercicio terminado el 31 de diciembre de 2017 (que incluyen información financiera comparativa no auditada de los tres meses terminados el 31 de diciembre de 2016). Para más información ver “*Presentación de Información Financiera y Otra Información*”. Dicha información no es comparable de periodo a periodo debido a los cambios en el tamaño y en la composición de la cartera de la Sociedad, y en el caso de la información de 2016 incluida en las Cuentas Anuales Consolidadas 2017, también debido al hecho de que dicha información solamente comprende el periodo de tres meses posterior a la fusión con la unidad de negocio residencial de Metrovacesa.

Datos en miles de euros

ACTIVO	31/03/2018	31/12/2017	31/12/2016
ACTIVO NO CORRIENTE			
Proyectos concesionales	155.588	156.343	159.376
Otros activos intangibles	225	99	34
Inmovilizado material	254	70	0
Inversiones inmobiliarias	2.107.230	2.106.079	912.304
Inversiones financieras no corrientes	9.694	9.812	7.401
Derechos de cobro. Acuerdo de concesión	4.224	4.738	3.587
Otros activos financieros	5.470	5.074	3.814
Activos por impuesto diferido	11.084	11.083	296
Total activo no corriente	2.284.075	2.283.486	1.079.411
ACTIVO CORRIENTE			
Deudores comerciales y otras cuentas por cobrar	2.690	1.432	2.452
Inversiones vinculadas a corto plazo	0	0	203
Otros activos financieros corrientes	0	3	24
Otros activos corrientes	311	0	666
Efectivo y otros activos líquidos equivalentes	57.990	71.158	28.801
Total activo corriente	60.991	72.593	32.146
TOTAL ACTIVO	2.345.066	2.356.079	1.111.557

Datos en miles de euros

PATRIMONIO NETO Y PASIVO	31/03/2018	31/12/2017	31/12/2016
PATRIMONIO NETO			
Capital suscrito	132.270	125.863	46.766
Prima de emisión	1.416.193	1.332.879	411.032
Reservas	(133.239)	(133.046)	192.295
Remanente	70.146	0	0
Resultado negativo de ejercicios anteriores	(1.754)	(1.754)	0
Resultado del ejercicio atribuible a la Sociedad Dominante	(104.261)	70.146	24.781
Ajustes por cambios de valor	(306)	(336)	(489)
Patrimonio neto atribuible a la Sociedad Dominante	1.379.049	1.393.752	674.385
Socios externos	774	772	0
Total patrimonio neto	1.379.823	1.394.524	674.385
PASIVO NO CORRIENTE			
Provisiones	320	320	1.410
Pasivos financieros no corrientes	841.655	841.232	356.099
Deudas a largo plazo con entidades de crédito	470.067	470.545	347.911
Derivados	102	120	940
Otros pasivos no corrientes	371.486	370.567	7.248
Pasivos por impuesto diferido	105.953	105.953	60.649
Total pasivo no corriente	947.928	947.505	418.158
PASIVO CORRIENTE			
Provisiones	0	1.019	1
Pasivos financieros corrientes	2.613	2.539	12.633
Deudas a corto plazo con entidades de crédito	2.613	2.539	12.633
Deudas con empresas vinculadas a corto plazo	5.400	5.400	0
Acreedores comerciales y otras cuentas a pagar	6.780	5.092	6.380
Proveedores	651	3.168	4.321
Pasivos por impuesto corriente	648	523	107
Otras deudas con las Administraciones Públicas	584	243	317
Otros acreedores	4.897	1.158	1.635
Total pasivo corriente	17.315	14.050	19.014
TOTAL PATRIMONIO NETO Y PASIVO	2.345.066	2.356.079	1.111.557

Datos en miles de euros

	31/12/2017	31/12/2016
OPERACIONES CONTINUADAS		
Importe neto de la cifra de negocios	52.943	9.586
Otros ingresos de explotación	141	3
Gastos de personal	(3.214)	(2.000)
Otros gastos de explotación	(25.023)	(4.733)
Dotación a la amortización	(3.145)	(810)
Resultados por enajenación de inmovilizado	286	163
Variación de valor razonable en inversiones inmobiliarias	65.209	23.953
RESULTADO DE EXPLOTACIÓN	87.197	26.162
Ingreso financiero	165	1
Gastos financieros	(11.338)	(1.141)
Variación de valor razonable en instrumentos financieros	(5.542)	0
RESULTADO ANTES DE IMPUESTOS	70.482	25.022
Impuesto sobre Sociedades	(296)	(241)
RESULTADO DEL EJERCICIO PROCEDENTE DE OPERACIONES CONTINUADAS	70.186	24.781
Atribuible a los accionistas de la Sociedad Dominante	70.146	24.781
Atribuible a socios externos	40	0
RESULTADO BÁSICO POR ACCIÓN (en euros)	0,0076	0,0053
RESULTADO POR ACCIÓN DILUIDAS (en euros)	0,0076	0,0053

En caso de que los informes de auditoría contengan opiniones con salvedades, desfavorables o denegadas, se informará de los motivos, actuaciones conducentes a su subsanación y plazo previsto para ello

En relación con la auditoría de las cuentas anuales individuales y consolidadas del ejercicio terminado el 31 de diciembre de 2017, Deloitte, S.L. emitió una opinión sin salvedades. En relación con la auditoría de las cuentas anuales individuales del ejercicio terminado el 31 de diciembre de 2016, Deloitte, S.L. emitió una opinión sin salvedades.

Tendencias significativas que afectan al Emisor

A continuación se detalla la cuenta de resultados incluida en los Estados Financieros Consolidados Resumidos Intermedios, que ha sido incluida en los anexos III y IV del presente Documento Informativo.

Datos en miles de euros

	31/03/2018	31/03/2017
OPERACIONES CONTINUADAS		
Importe neto de la cifra de negocios	17.902	8.794
Otros ingresos de explotación	14	10
Gastos de personal	(1.341)	(729)
Otros gastos de explotación	(117.071)	(5.383)
Dotación a la amortización	(807)	(682)
Excesos de provisiones	3	0
Resultados por enajenación de inmovilizado	0	233
RESULTADO DE EXPLOTACIÓN	(101.300)	2.243
Gastos financieros	(2.078)	(1.506)
Variación de valor razonable en instrumentos financieros	(756)	86
RESULTADO ANTES DE IMPUESTOS	(104.134)	823
Impuesto sobre Sociedades	(125)	(162)
RESULTADO DEL EJERCICIO PROCEDENTE DE OPERACIONES CONTINUADAS	(104.259)	661
Atribuible a los accionistas de la Sociedad Dominante	(104.261)	661
Atribuible a socios externos	2	0
RESULTADO BÁSICO POR ACCIÓN (en euros)	-0,8256	-0,0081
RESULTADO POR ACCIÓN DILUIDAS (en euros)	-0,8256	-0,0081

Los otros gastos de explotación ascendieron a 117.071 miles de euros en el periodo de tres meses terminado el 31 de marzo de 2018, y principalmente comprenden la provisión registrada en relación con la resolución anticipada del contrato de servicios con Merlin de fecha 20 de octubre de 2018, en relación con la provisión de servicios de asesoramiento, planificación y gestión estratégica por parte de esta última a la Sociedad. Dicha resolución surtió efectos desde el 19 de enero de 2018, y la provisión ascendió a 107.244 miles de euros (ver página 124 del Documento Informativo).

Previsiones o estimaciones de carácter numérico

No aplica.

Declaración de capital circulante

El Consejo de Administración de la Sociedad declara que, después de efectuar el análisis necesario con la diligencia debida, la Sociedad dispone del capital circulante (*working capital*) suficiente para llevar a cabo su actividad durante los 12 meses siguientes a la fecha de incorporación.

Valores

Información relativa a las acciones

A la fecha del presente Documento Informativo, el capital social de Testa está totalmente suscrito y desembolsado. El importe del mismo asciende a 132.270.202 euros, representado por 132.270.202 acciones de 1 euro de valor nominal cada una, todas ellas de una sola clase y serie, con iguales derechos políticos y económicos.

Las acciones de la Sociedad están representadas por medio de anotaciones en cuenta y están inscritas en los correspondientes registros contables a cargo de la Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (en adelante, “**Iberclear**”), con domicilio en Plaza Lealtad número 1, Madrid (28014), y de sus entidades participantes autorizadas (en adelante, las “**Entidades Participantes**”).

Las acciones de la Sociedad son nominativas y están denominadas en euros (€).

Composición accionarial

A fecha del presente Documento Informativo, el desglose accionarial es el siguiente:

Accionista	Nº de acciones	%
Entidades asociadas al Banco Santander ⁽¹⁾	48.764.677	36,87%
Banco Santander, S.A.	17.331.791	13,10%
LURI6, S.A.	23.336.794	17,64%
LURI4, S.A. (en liquidación) ⁽²⁾	3.521.773	2,66%
Altamira Santander Real Estate, S.A.	690.319	0,52%
Banco Popular Español, S.A.	3.709.154	2,80%
Banco Pastor, S.A.U.	174.846	0,13%
 Entidades asociadas al BBVA ⁽³⁾	 33.390.925	 25,24%
Banco Bilbao Vizcaya Argentaria, S.A.	32.772.373	24,78%
UNNIM Sociedad para la Gestión de Activos Inmobiliarios, S.A.	203.973	0,15%
Anida Operaciones Singulares, S.A.	414.579	0,31%
 Merlin Properties, SOCIMI, S.A.	 22.420.089	 16,95%
 Acciona Real Estate, S.A.	 26.454.040	 20,00%
 Accionistas minoritarios⁽⁴⁾	 626.698	 0,47%
Autocartera⁽⁵⁾	613.773	0,46%
TOTAL	132.270.202	100%

- (1) Incluye la participación directa a través de Banco Santander, S.A. e indirectamente a través de entidades asociadas al Grupo Santander.
- (2) Se nos ha informado de que está previsto que LURI4, S.A. en liquidación transmita sus acciones de la Sociedad a Banco Santander, S.A. en o con anterioridad al 31 de julio de 2018.
- (3) Incluye la participación directa a través de Banco Bilbao Vizcaya Argentaria, S.A. e indirectamente a través de entidades asociadas al Grupo BBVA.
- (4) A la fecha del presente Documento Informativo la Sociedad tiene aproximadamente 1.500 accionistas minoritarios.
- (5) La Sociedad ha suscrito un contrato de compraventa de acciones con un accionista minoritario que afecta a 9.854 acciones; como la transmisión de tales acciones a favor de la Sociedad podrá ser ejecutada hasta el 24 de julio de 2018, no se reflejan en la tabla anterior como autocartera. Sin embargo, esta cifra incluye 21.646 acciones facilitadas al Proveedor de Liquidez.

A la fecha del presente Documento Informativo el único miembro del Consejo de Administración o de los órganos de administración, supervisión y gestión con participaciones directas o indirectas en el capital de la Sociedad iguales o superiores al 1% es Banco Santander, S.A., a través de Altamira Santander Real Estate, S.A. (0,52%).

Información utilizada para la determinación del precio de referencia

Tomando en consideración el informe de valoración de los fondos propios de la Sociedad a 31 de diciembre de 2017 emitido por Gesvalt Sociedad de Tasación, S.A., con fecha 16 de julio de 2018, el Consejo de Administración de la Sociedad celebrado el 16 de julio de 2018 fijó un precio de referencia de 13,86 euros, lo que implica un valor total de fondos propios de 1.833.264.999,72 euros.

Riesgos

Antes de adoptar cualquier decisión de invertir en acciones de Testa deben de tenerse en cuenta, entre otros, los riesgos que se enumeran en la sección de “*Risk factors*” del presente Documento Informativo, los cuales podrían afectar a la evolución del negocio, los resultados, las estimaciones o la situación financiera, económica o patrimonial de la Sociedad, siendo los principales:

1. El informe de valoración realizado por Savills y/o los informes de valoración adicionales que existan en este momento o puedan existir en el futuro, podrían evaluar incorrectamente el valor de nuestras propiedades.

Las valoraciones del informe de valoración se realizaron a fecha 31 de diciembre 2017 y sobre la base de asunciones y factores que pueden no ser correctas o cambiar, por lo que el valor puede no ser la cantidad efectiva que se obtenga en la venta de los activos, y los valores de mercado pueden disminuir por causas ajenas

al control de la Sociedad. Todo esto puede suponer un impacto importante en el desempeño financiero de la Sociedad.

2. *Los inversores en la Sociedad tendrán una información financiera limitada para ayudarles a evaluar las perspectivas de la Sociedad y las ventajas relacionadas con la inversión en las acciones de la Sociedad.*

A pesar de haberse constituido en 2001, la Sociedad adquirió la mayoría de sus activos durante 2016 y 2017, incluyendo la ejecución de diversos aumentos de capital. Por todo ello, la Sociedad tiene una historia operativa limitada para la evaluación del negocio y las ventajas de inversión en sus acciones. Los estados financieros anexados pueden no reflejar con certeza el potencial de generación de ingresos de la cartera de la Sociedad.

3. *En la preparación de las cuentas anuales consolidadas han sido utilizados una serie de estimaciones y asunciones, indicadores clave de desempeño (KPIs) y medidas alternativas de rendimiento (APMs), que podrían resultar incorrectas. Adicionalmente, no se puede asegurar que la Sociedad alcance ningún de los objetivos o resultados anticipados expuestos en el presente Documento Informativo.*

La preparación de las cuentas anuales requiere que la dirección realice juicios, estimaciones y asunciones que afectan a la aplicación de políticas contables y a las cantidades registradas de las partidas. También se utilizan una serie de estimaciones y asunciones para calcular los KPIs y APMs que utilizan para supervisar el rendimiento de sus activos. A pesar de que el cálculo de estas figuras se basa en factores razonables para la dirección en ese momento, podrían ser incorrectas al estar sujetas a numerosas incertidumbres, muchas fuera del control de la Sociedad.

4. *Los resultados de las operaciones podrán verse afectar negativamente por los cambios en las normas de contabilidad.*

El registro de los resultados y de la posición financiera de la Sociedad se hace conforme a las normas internacionales de información financiera, y por tanto los cambios a las mismas o a su interpretación podrían dar lugar a que los resultados futuros reportados por la Sociedad difieran de lo que se espera ahora. Actualmente están previstos una serie de cambios en las normas que no son todavía efectivos, algunos de los cuales se espera se tengan un impacto sobre los resultados y de la posición financiera de la Sociedad en el futuro.

5. *Se espera que la Sociedad requiera niveles significativos de financiación externa para financiar sus necesidades de liquidez en el futuro, y puede que no consiga financiación cuyos términos les sean satisfactorios, o no consigan financiación en ningún caso.*

El sector inmobiliario en el que opera la Sociedad requiere niveles significativos de inversión inicial, y la Sociedad requiere niveles significativos de inversión para financiar el crecimiento de su actividad a través de la adquisición de propiedades inmuebles. Adicionalmente, como SOCIMI la Sociedad tiene una política obligatoria de distribución de dividendos. Las posibilidades de obtención de financiación por parte de la Sociedad están sujetas a una variedad de factores. Todo ello podría afectar negativamente a sus previsiones.

ANNEX III – ENGLISH TRANSLATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Testa Residencial SOCIMI, S.A. and Subsidiaries

Consolidated Financial Statements for the
year ended 31 December 2017 and
Consolidated Directors' Report, together
with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Testa Residencial SOCIMI, S.A.,

Opinion

We have audited the consolidated financial statements of Testa Residencial SOCIMI, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2017, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most Significant Audit Matters

The most significant audit matters are those matters that, in our professional judgement, were considered to be the most significant risks of material misstatement in our audit of the consolidated financial statements of the current period. These risks were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those risks.

Valuation of investment property

Description

The Testa Residencial SOCIMI, S.A. and subsidiaries Group manages a portfolio of residential property assets earmarked for lease located in Spain. Investment property is stated at its fair value at the reporting date and is not depreciated. At 31 December 2017, the investment property assets was valued at EUR 2,106 million.

The Testa Residencial SOCIMI, S.A. and subsidiaries Group periodically uses an independent expert to determine the fair value of its property assets. The aforementioned expert has substantial experience in the market in which the Group operates and employs valuation methodologies and standards widely used in the market.

The valuation of the Investment property is one of the most significant matters in our audit, since it requires the use of estimates with a significant degree of uncertainty. Specifically, the valuation method generally used for the rental property assets is the discounted cash flow method, which requires estimates of:

- the future net revenue from each property based on available historical information and market surveys
- the internal rate of return or opportunity cost used when discounting

Procedures applied in the audit

Our audit procedures included, among others, the review of the design and implementation of the relevant controls that mitigate the risks associated with the valuation of investment property, as well as tests to verify that the aforementioned controls operate effectively.

We obtained the valuation reports of the expert hired by the Group to value all of the property portfolio and assessed the competence, ability and objectivity of the expert and the suitability of the expert's work for use as audit evidence. In this connection, with the cooperation of our internal valuation experts, we:

- analysed and concluded on the reasonableness of the valuation procedures and methodology used by the experts hired by Group management,
- performed, for a sample of assets chosen on a selective basis, an independent valuation, taking into account the information available on the industry and transactions with property assets similar to the property asset portfolio owned by the Group,
- assessed, in conjunction with our internal experts, the matters involving greater risk, including the occupancy rates and expected returns on the property assets, and

Valuation of investment property

Description

- the residual value of the assets at the end of the projection period
- the exit yield

Also, small percentage variations in the assumptions used in the valuations of property assets may give rise to significant adjustments or reclassifications.

Procedures applied in the audit

- held meetings with the experts hired by Group management to check the findings of our work and obtain the necessary explanations.

We also analysed the suitability of the disclosures made by the Group in relation to these matters, which are included in Note 7 to the consolidated financial statements for 2017.

Emphasis of Matter

We draw attention to Note 2.2 to the accompanying consolidated financial statements, which indicates the conclusion reached by the Group in relation to the accounting treatment of the integration of the residential businesses of Metrovacesa, S.A. and Testa Residencial SOCIMI, S.A. in 2016. Our opinion is not modified in respect of this matter.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2017, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors' report, in accordance with the applicable audit regulations, consists of evaluating and reporting on whether the consolidated directors' report is consistent with the consolidated financial statements, based on our knowledge of the Group obtained in the audit of those consolidated financial statements and excluding any information other than that obtained as evidence during the audit. Also, our responsibility consists of evaluating and reporting on whether the content and presentation of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraph, the information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2017 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Directors and Audit Committee of the Parent for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

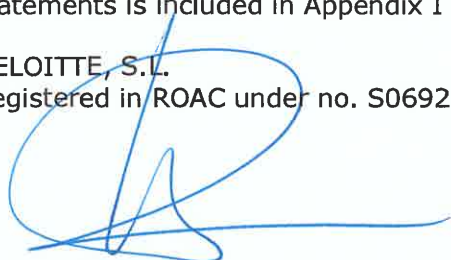
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in Appendix I to this auditor's report.

DELOITTE, S.L.

Registered in ROAC under no. S0692



Antonio Sánchez-Covisa Martín-González

Registered in ROAC under no. 21251

March 26th, 2018

Appendix I to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.
- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Parent's audit committee, we determine those risks that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

TESTA RESIDENCIAL, SOCIMI, S.A. and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2017, prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and consolidated directors' report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

**TESTA RESIDENCIAL SOCIMI, S.A.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017
(Thousands of euros)

ASSETS	Notes	31/12/2017	31/12/2016	EQUITY AND LIABILITIES	Notes	31/12/2017	31/12/2016
NON-CURRENT ASSETS:				EQUITY:	Note 13		
Concession projects	Note 6	156,343	159,376	Share capital		125,863	46,766
Other intangible assets	Note 6	99	34	Issue premium		1,332,879	411,032
Property, plant and equipment		70	-	Reserves	Note 13.2	(133,046)	192,295
Investment property	Note 7	2,106,079	912,304	Prior years' losses		(1,754)	-
Non-current financial assets -				Profit/(loss) for the year attributable to the Parent		70,146	24,781
Collection rights, Service concession arrangements	Note 8	9,812	7,401	Valuation adjustments		(336)	(489)
Other financial assets	Note 10	4,738	3,587	Equity attributable to the Parent		1,393,752	674,385
Deferred tax assets	Note 17.3	5,074	3,814	Non-controlling interests		772	-
Total non-current assets		2,283,486	1,079,411	Total equity		1,394,524	674,385
				NON-CURRENT LIABILITIES:	Note 15		
				Provisions		320	1,410
				Non-current financial liabilities -	Note 14	841,232	356,099
				Non-current bank borrowings		470,545	347,911
				Derivatives	Note 14	120	940
				Other non-current liabilities	Note 15	370,567	7,248
				Deferred tax liabilities	Note 17.4	105,953	60,649
				Total non-current liabilities		947,505	418,158
CURRENT ASSETS:				CURRENT LIABILITIES:	Note 15		
Trade and other receivables	Note 11	1,432	2,452	Provisions		1,019	1
Short-term investments in related parties	Note 20.2	-	203	Non-current financial liabilities -	Note 14	2,539	12,633
Other current financial assets		3	24	Current bank borrowings		2,539	12,633
Other current assets		-	666	Current payables to related companies	Note 20.2	5,400	-
Cash and cash equivalents	Note 12	71,158	28,301	Trade and other payables	Note 16	5,092	6,380
Total current assets		72,593	32,146	Payable to suppliers		3,168	4,321
TOTAL ASSETS		2,356,079	1,111,557	Current tax liabilities	Note 17.1	523	107
				Other payables to public authorities	Note 17.1	243	317
				Other payables		1,158	1,635
				Total current liabilities		14,050	19,014
				TOTAL EQUITY AND LIABILITIES		2,356,079	1,111,557

The accompanying Notes 1 to 27 to the consolidated financial statements and Appendix I are an integral part of the consolidated statement of financial position at 31 December 2017.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

TESTA RESIDENCIAL SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

FOR 2017

(Thousands of euros)

	Notes	31/12/2017	31/12/2016
CONTINUING OPERATIONS:			
Revenue	Note 19.1	52.943	9.586
Other operating income		141	3
Personnel expenses	Note 19.2	(3.214)	(2.000)
Other operating expenses	Note 19.3	(25.023)	(4.733)
Depreciation charge		(3.145)	(810)
Gains/(losses) from asset disposals	Note 7	286	163
Changes in fair value of investment property	Note 7	65.209	23.953
OPERATING PROFIT/(LOSS)		87.197	26.162
Finance income		165	1
Financial expenses	Note 19.4	(11.338)	(1.141)
Change in fair value of financial instruments		(5.542)	-
PROFIT/(LOSS) BEFORE TAX		70.482	25.022
Corporate income tax	Note 17.2	(296)	(241)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		70.186	24.781
Attributable to shareholders of the Parent		70.146	24.781
Attributable to non-controlling interests		40	-
BASIC EARNINGS PER SHARE (in euros):	Note 13.4	0,0076	0,0053
DILUTED EARNINGS PER SHARE (in euros):		0,0076	0,0053

The accompanying Notes 1 to 27 to the consolidated financial statements and Appendix I are an integral part of the consolidated income statement for 2017.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

TESTA RESIDENCIAL SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2017

(Thousands of euros)

	31/12/2017	31/12/2016
PROFIT/(LOSS) PER THE INCOME STATEMENT (I)	70.186	24.781
OTHER COMPREHENSIVE INCOME:		
Income and expenses recognised directly in equity-		
Arising from cash flow hedges	414	-
TOTAL COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY (II)	414	-
Amounts transferred to income statement		
Arising from cash flow hedges	(261)	-
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT (III)	(261)	-
TOTAL COMPREHENSIVE INCOME (I+II+III)	70.339	24.781
Attributable to shareholders of the Parent	70.299	24.781
Attributable to non-controlling interests	40	-

The accompanying Notes 1 to 27 to the consolidated financial statements and Appendix I are an integral part of the consolidated statement of comprehensive income for 2017.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2017

(Thousands of euros)

	Share office	Issue premium	Reserves	Previous years' profit/(loss)	Profit/(loss) for the year	Valuation adjust ments	Equity attributable to the Company Parent	Non-controlling interests	Total equity
Opening balance, 2016	46.766	411.032	192.295	-	-	(489)	649.604	-	649.604
Consolidated comprehensive income	-	-	-	-	24.781	-	24.781	-	24.781
Balance at 31 December 2016	46.766	411.032	192.295	-	24.781	(489)	674.385	-	674.385
Consolidated comprehensive income	-	-	-	-	70.146	153	70.299	40	70.339
Capital increases (Notes 3 and 13)	52.643	612.477	(2.115)	-	-	-	663.005	-	663.005
Business combinations (Notes 3 and 13)	26.454	309.370	(349.761)	-	-	(1.938)	(15.875)	732	(15.143)
Allocation of 2016 loss	-	-	26.535	(1.754)	(24.781)	-	-	-	-
Other changes	-	-	-	-	-	1.938	1.938	-	1.938
Balance at 31 December 2017	125.863	1.332.879	(133.046)	(1.754)	70.146	(336)	1.393.752	772	1.394.524

The accompanying Notes 1 to 27 to the consolidated financial statements and Appendix I are integral part of the consolidated statement of total changes in equity for 2017.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

TESTA RESIDENCIAL SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR 2017

(Thousands of euros)

	Notes	31/12/2017	31/12/2016
CASH FLOWS FROM OPERATING ACTIVITIES:		56.070	(538)
Profit/(loss) for the year before tax		70.482	25.022
Adjustments to profit/loss-		(46.315)	(20.720)
Depreciation of fixed assets	Note 6	3.145	810
Change in fair value of investment property	Note 7	(65.209)	(23.953)
Impairment	Notes 8 and 11	300	65
Changes in provisions for liabilities and charges		1.019	1.170
Gains/(losses) on derecognition and disposal of non-current assets	Note 7	(286)	(163)
Financial revenue		(165)	(1)
Financial expenses		11.338	1.141
Change in fair value of financial instruments		5.542	-
Other income and expenses		(1.999)	211
Changes in working capital-		3.930	(4.458)
Trade and other receivables		(918)	(46)
Trade and other payables		(3.069)	(4.766)
Other assets and liabilities		7.917	354
Other cash flows from/(used in) operating activities -		27.973	(382)
Interest paid		(11.784)	(1.141)
Interest collection		165	1
Income tax payments	Note 17.1	(114)	(133)
Other receipts/(payments)	Note 3	39.706	891
CASH FLOWS FROM INVESTING ACTIVITIES:		(49.121)	4.687
Payments for investments-		(53.492)	-
Investment properties		(53.960)	-
Property, plant and equipment		(99)	-
Intangible assets	Note 6	(148)	-
Financial assets		715	-
Proceeds from sale of investments -		4.371	4.687
Investment properties	Note 7	4.371	4.687
CASH FLOWS FROM FINANCING ACTIVITIES:		35.408	(463)
Proceeds from and payments for equity instruments-		(2.115)	-
Payment of capital increases		(2.115)	-
Proceeds from and payments for financial liability instruments-		37.493	(463)
Proceeds from issue of bank borrowings		377.000	-
Refund on bank borrowings		(339.102)	(463)
Repayment of other debts		(405)	-
Capital increases	Note 13	30	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		42.357	3.686
Cash and cash equivalents at start of year		28.801	25.115
Cash and cash equivalents at end of period		71.158	28.801

accompanying Notes 1 to 27 to the consolidated financial statements and Appendix I form an integral part of the consolidated cash flow statement for 2017.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

TESTA RESIDENCIAL, SOCIMI, S.A. and Subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2017

1. Nature and Group activity

TESTA RESIDENCIAL, SOCIMI, S.A. (hereinafter, the Parent), was formed as a public limited company with the company name Vallehermoso Patrimonio, S.A., in Madrid on 4 January 2001, before the Notary José Aristónico García Sánchez, for an indefinite period.

On 24 June 2005, the company changed its name from Vallehermoso Patrimonio, S.A. to Testa Residencial, S.L.U.

On 7 April 2006, the Sole Shareholder of Testa Residencial, S.L.U., Testa Inmuebles en Renta, S.A., entered into a public deed before the Madrid Notary José Aristónico García Sánchez, with number 836/2006 of his notarial record book, with respect to the contribution by the Sole Shareholder of the business line involving the rental of homes located in Spain, in accordance with the decision of the Board of Directors of Testa Inmuebles en Renta, S.A. on 20 December 2005.

On 8 June 2015, Merlin Properties SOCIMI, S.A. and the sole shareholder of Testa Residencial, S.L.U. (Testa Inmuebles en Renta SOCIMI, S.A.) entered into a binding agreement for the acquisition by Merlin Properties SOCIMI, S.A. of a majority stake (99.9%) in the share capital of Testa Inmuebles en Renta SOCIMI, S.A. In 2016, Merlin Properties SOCIMI, S.A. became the Parent of the Testa Inmuebles Group at Renta SOCIMI, S.A. and its subsidiaries, which included Testa Residencial, S.L.U.

On 15 September 2016, the reverse merger took place between the residential business of Merlin Properties SOCIMI, S.A. (Testa Residencial, S.L.U.) and the residential business of Metrovacesa, S.A., whereby the latter acquired control over Testa Residencial, S.L.U., although this latter legal entity was the one that survived from the standpoint of company law (see Note 3).

On 22 September 2016, the General Shareholders' Meeting requested the inclusion of the Parent in the REIT tax system (as defined below), applicable from 1 January 2016, changing its company name from Testa Residencial, S.A.U. to Testa Residencial, SOCIMI, S.A. The Parent with tax ID no. A82865890 was legally registered in the Madrid Mercantile Register.

Since 23 February 2017, the Parent's registered office has been located at Paseo de la Castellana 257 in Madrid. Previously, its registered office was found at calle Ventura Rodríguez, 7, Madrid.

The Parent's object consists of the lease of homes in Spain that have been built, promoted or acquired.

Testa Residencial, SOCIMI, S.A. and Subsidiaries (hereinafter, "the Group"), engage mainly in the acquisition and management (through leases to third parties) of homes, and may also invest to a lesser extent in other leased assets.

The tax regime of the Parent is regulated by Real Estate Investment Trust (REIT) Law 11/2009, of 26 October, amended by Law 16/2012 of 27 December. Article 3 establishes the investment requirements of this type of company, namely:

1. REITs must have invested at least 80% of the value of their assets in urban properties earmarked for lease, in land to develop properties to be used for that purpose, provided that development begins within three years following its acquisition, and in equity investments in other companies referred to in Article 2.1 of the aforementioned Law.

The value of the asset is calculated based on the average of the quarterly individual balance sheets of the year. To calculate this value, the Company may opt to substitute the carrying amount for the market value of the items contained in these balance sheets, which will apply to all the balance sheets of the year. Any money or collection rights arising from the transfer of the aforementioned properties or investments made in the year or in prior years will not be included in the calculation unless, in the latter case, the reinvestment period referred to in Article 6 of the aforementioned Law has expired.

2. Similarly, at least 80% of the rental income for the tax period corresponding to each year, excluding the rental income deriving from the transfer of ownership interests and properties used by the company to achieve its principal object, once the retention period referred to below has elapsed, should be obtained from the lease of properties and dividends or shares of profits arising from the aforementioned investments.

This percentage must be calculated on the basis of the consolidated profit if the company is the parent of a group, in accordance with the criteria established in Article 42 of the Spanish Commercial Code, regardless of its place of residence and of the obligation for formally prepare consolidated financial statements. Such a group must be composed exclusively of the REIT and the other entities referred to in article 2.1 of the aforementioned Law.

3. The properties included the REIT's assets should remain leased for at least three years. The time during which the properties have been made available for lease will be included in calculating this term, with a maximum of one year. The term will be calculated:

a) For properties included in the REIT's assets before the company avails itself of the regime, from the beginning of the first tax period in which the special tax regime established in Law 11/2009, of 26 October, applies, provided that at that date, the asset is leased or made available for lease. Otherwise, the following shall apply.

b) For properties developed or acquired subsequently by the Company, from the date on which they were leased or made available for lease for the first time.

c) In the case of shares or ownership interests in the companies referred to in Article 2.1 of the aforementioned Law, these should be retained as assets of the REITs for at least three years following their acquisition or, as the case may be, from the beginning of the first tax period in which the special tax regime established in that Law applies.

As established by Transitional Provision One of Real Estate Investment Trust Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, the Company may opt to apply the special tax regime under the terms and conditions established in Article 8 of Law 11/2009, of 26 October, even if it does not meet the requirements therein, provided that such requirements are met within two years after the date of the option to apply that regime.

Failure to meet this condition will require the Parent to file corporate income tax returns under the general tax regime from the tax period in which the aforementioned condition is not met, unless the situation is rectified the following tax period. The Company will also be obliged to pay, together with the amount relating to the aforementioned tax period, the difference between the amount of tax payable under the general tax regime and the amount paid under the special tax regime in the previous tax periods, including any applicable late payment interest, surcharges and penalties.

The corporate income tax rate for REITs was set at 0%. However, where the dividends that the REIT distributes to its shareholders holding an ownership interest exceeding 5% are exempt from tax or are subject to tax rate lower than 10%, the REIT shall be subject to a special charge of 19%, which shall be considered to be the corporate income tax charge, on the amount of the dividend distributed to these shareholders. If applicable, this special charge must be paid by the REIT within two months after the dividend payment date.

The 2016 separate financial statements of Testa Residencial, SOCIMI, S.A., which were authorised for issue by the Directors, were adopted at the Annual General Meeting of 30 June 2017. The separate financial statements of the other company within the Group, Metrovacesa Alquileres Urbanos, S.L.U. (currently, "Testa Alquileres Urbanos S.L.U.") for 2016, prepared by its corresponding Sole Director, were approved by the Sole Shareholder on 30 June 2017.

The consolidated financial statements were authorised for issue by the Board of Directors of Testa Residencial, SOCIMI, S.A. at its meeting of 26 March 2018. They will be submitted for approval, along with the financial statements of subsidiaries, by the respective Annual General Meetings, and it is considered that they will be approved without any changes.

In view of the business activities currently carried out by the Group, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these consolidated financial statements.

2. Basis of presentation of the consolidated financial statements and basis of consolidation

2.1 Regulatory framework

The regulatory financial reporting framework applicable to the Group consists of:

- The Code of Commerce and other corporate legislation,
- The International Financial Reporting Standards (IFRSs) as adopted by the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and Spanish Law 62/2003, of 30 December, on tax, administrative and social order measures.
- Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts (REITs) and all other Spanish corporate law.
- All other applicable Spanish accounting regulations.

2.2 Bases of presentation of the consolidated financial statements

The consolidated financial statements for 2017 were obtained from the accounting records of the Parent and of the companies included in the scope of consolidation, and they were prepared in accordance with the financial reporting regulatory framework detailed in Note 2.1 above; accordingly, they present fairly the Group's consolidated equity and consolidated financial position at 31 December 2017 and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows generated at the Group in the year then ended.

As described in Note 3, in relation with the integration agreement of the residential businesses of Metrovacesa, S.A. and Testa Residencial SOCIMI, S.A. in 2016, the directors of the Parent have estimated that, given the shareholders of Metrovacesa, S.A. acquired the majority of the voting rights over Testa Residencial SOCIMI, S.A. once the integration was completed, such transaction is, by accounting analogy, a reverse acquisition in which the residential business of Metrovacesa, S.A. is the acquirer.

In reaching that conclusion the Group took into account, primarily, the economic substance of the transaction considering that the residential business of Metrovacesa, S.A. can be treated as a reporting entity. However, as this specific transaction is not considered under IFRS-EU, to make this judgment the directors of the Parent have applied what is established in paragraphs 10 and 12 of IAS 8, to consider, by analogy, the pronouncements of other standard-setting bodies that use a similar conceptual framework to IFRS-EU to develop accounting standards. In this particular case, the directors of the Parent have considered the Recognition and Measurement Standard 19.2.1 of the Spanish General Accounting Plan that indicates that "the acquirer is the company that obtains control of the acquired business or businesses. For the purposes of this standard, the acquirer could also be a part of a company which, as a result of the combination, is spun off from the entity of which it formed part and obtains control over another business or other businesses."

The maximum impact on the consolidated financial statements for the year 2017 of the application by the Group of an alternative criteria in relation to this transaction as describe in Note 3 would have not been significant. In this sense, the maximum impact estimated by the directors of the Parent would be a decrease of 67.7 million euros in total equity and total assets of the Group, a 4.8% and 2.8%, respectively, compared to the amounts shown in the consolidated statement of financial position as of 31 December 2017, being this impact not significant.

Given that the accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for the year 2017 may differ from those applied by some of the companies making up the Group, the necessary adjustments and reclassifications have been made in the consolidation process to unify these policies and basis and to adapt them to the IFRSs adopted by the European Union.

In order to present the various items that make up the consolidated financial statements on a consistent basis, the accounting policies and measurement bases used by the Parent were applied to all the companies included in the scope of consolidation.

2.2.1 First application of International Financial Reporting Standards

The consolidated financial statements for the year 2017 are the first that the Group presents in accordance with IFRS-EU, because in the year ended 31 December 2016 the Parent Company was exempt from consolidation, under the prevailing legislation, since it only held equity interests in subsidiaries that did not own a significant interest, neither individually nor as a whole, to present fairly the equity, financial position and results of the Group companies.

The Group has considered 15 September 2016 as the date of transition to IFRS-EU, the same day on which the reverse acquisition of the residential businesses of Metrovacesa, S.A. (economic acquirer) and Merlin Properties, SOCIMI, S.A. (Testa Residencial, S.L.U.), and therefore the formation of the Group, took place.

According to the above, these financial statements do not include any reconciliation between the previous GAAP (Spanish General Accounting Plan) and IFRS-EU.

As to application of IFRS, the main options taken by the Group are as follows:

- Items on the consolidated statement of financial position were to be classified as current or non-current.
- Itemise expenses on the consolidated income statement by nature.
- The consolidated statement of cash flows is presented using the indirect method.
- Income and expense is presented in two separate statements: a consolidated income statement and a consolidated statement of comprehensive income.
- The residential rental business of Metrovacesa, S.A. (economic acquirer) opted to revalue to fair value its investment property and concession projects and to use such fair value as the deemed cost at the transition date. The effect of this option, expressly allowed by IFRS 1, is as follows:

	Thousand euros		
	Previous GAAP amounts	Fair Value adjustment	IFRS deemed cost
Concession projects	10.600	69.455	80.055
Investment property	622.266	14.785	637.051
Deferred tax liabilities	-	(17.436)	(17.436)
Total net assets	632.866	66.804	699.670

To estimate the fair value of the concession projects (which have an specific real estate nature as are based on the surface rights granted by the Basque government for housing building and renting) and investment property, the Group has used independent experts' appraisals. The estimated tax effect associated with the fair value adjustments amounted to 17,436 thousand euros, which has been recorded in the "Deferred tax liabilities" line item of the consolidated statement of financial position.

2.2.2 Adoption of International Financial Reporting Standards effective beginning on or after 1 January 2017

The following standards and amendments and interpretations of standards became effective in 2017, and have been used by the Group, where applicable, in preparing the 2017 consolidated financial statements:

Standards, Amendments and Interpretations	Description	Obligatory application in annual reporting periods beginning on or after:
Amendment to IAS 7 Disclosure Initiative (published in January 2016)	Introduces additional disclosure requirements in relation to the reconciliation of the movement of financial liabilities with the cash flows from financing activities.	1 January 2017
Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (issued in January 2016)	Clarification of the principles established in relation to the recognition of deferred tax assets for unrealised losses.	1 January 2017
Improvements to IFRS 2014-2016 Cycle (clarification in respect of IFRS 12)	Clarification in respect of the scope of IFRS 12 and its interaction with IFRS 5.	1 January 2017

The standards and amendments did not have a material impact on the consolidated financial statements for 2017.

All accounting policies and measurement bases with a material effect on the consolidated financial statements were applied.

2.2.3 Standards not in force in 2017

The following standards had not come into force in 2017, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union:

Standards, Amendments and Interpretations	Description	Obligatory application in annual reporting periods beginning on or after:
IFRS 15 Revenue from Contracts with Customers (issued in May 2014).	New standard for recognising revenue. Supersedes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31. The new IFRS 15 model is much more restrictive and, in addition to adopting a very different approach, is based on rules and, therefore, the application of the new requirements may give rise to changes in the revenue profile.	1 January 2018
IFRS 9 Financial Instruments (published in July 2014)	This new standard will supersede the current IAS 39. The change in concept is significant in all sections. This changes the classification and measurement model for financial assets whose central axis will be the business model. The focus of the hedge accounting model aims for closer alignment with economic risk management and demands fewer rules. Lastly, the impairment model changes from the current incurred losses to a forecast losses model.	1 January 2018
Clarifications to IFRS 15 (published in April 2016)	Relates to identification of performance obligations, principal versus agent considerations, the granting of licences and their transfer at a point in time or over time, and clarifications on transition rules.	1 January 2018
IFRS 16 Leases (issued in January 2016)	A new standard on leases which supersedes IAS 17. It proposes an accounting model unique for lessees, which will include all leases in the balance sheet (with a few limited exceptions) with similar impact to that of current financial leases.	1 January 2019
IFRS 17 Insurance Contracts (issued in May 2017)	Replaces IFRS 4. Sets out the recognition, measurement, presentation and disclosure requirements for insurance contracts, so that entities provide relevant and reliable information allowing users to determine the effect that the contracts have on the financial statements.	1 January 2021 (1)
Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (issued in June 2016)	These are limited amendments that clarify specific matters such as the accounting for the effects of vesting conditions on cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement clauses and certain aspects of the modifications to the type of share-based payment.	1 January 2018 (1)
Amendments to IAS 40 Reclassification of Investment Property (issued in December 2016)	The amendment clarifies that a reclassification of an investment as investment property shall only be permitted when it can be demonstrated that there has been a change in use.	1 January 2018 (1)
Improvements to IFRSs 2014-2016 Cycle (issued in December 2016)	Minor amendments to a series of standards (different effective dates)	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration (issued in December 2016)	This interpretation establishes the "transaction date" in order to establish the exchange rate applicable to transactions with advance considerations in foreign currency.	1 January 2018 (1)
IFRIC 23 Uncertainty over Income Tax Treatments (issued in June 2017)	This interpretation clarifies how to apply the recognition and measurement criteria set out in IAS 12 when there is uncertainty regarding whether a tax authority will accept a given tax treatment applied by the entity.	1 January 2019 (1)
Amendments to IFRS 9 Prepayment Features with Negative Compensation (issued in October 2017)	Enables certain financial instruments with prepayment features to be measured at amortised cost, enabling the payment of a lower amount than the unpaid amounts of capital and interest.	1 January 2019 (1)
Amendments to IAS 28 Investments in Associates and Joint Ventures (issued in	Clarifies that IFRS 9 must be applied to long-term investments in associates or joint ventures if the equity	1 January 2019 (1)

Standards, Amendments and Interpretations	Description	Obligatory application in annual reporting periods beginning on or after:
October 2017)	method is not applied.	
Improvements to IFRS 2015-2017 Cycle (issued in December 2017)	Minor amendments to certain standards	1 January 2019 (1)
Amendment to IAS 19, on Plan Amendment, Curtailment or Settlement (issued in February 2018)	In accordance with the proposed amendments, if a defined benefit plan is changed (owing to an amendment, curtailment or settlement), the entity must use updated assumptions to determine service cost and net interest for the period after the plan measurement.	1 January 2019 (1)
Amendment to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A very significant clarification in relation to the result of these operations, because there had been a discrepancy between the standards. When concerning a business, a full gain or loss will be recognised and should the object of the transaction be assets, a partial gain or loss will be recognised.	Its adoption in the EU and its application in accordance with IASB has been deferred indefinitely.

(1) Not yet adopted by the European Union.

In relation to IFRS 15, the Group considers that the impact of its application will not be significant, to the extent that such standard excludes the lease arrangements from its scope, which continue to be regulated by the accounting standard (IAS 17/IFRS 16). Given the obligations arising under the SOCIMI statutory scheme, the Group has no significant income other than lease income.

With regard to IFRS 9, the Group does not deem its impact to be material to the extent that no refinancing has occurred, derivative instruments arranged by the Group come under the same recognition and measurement criteria under the new standard as under IAS 39, and the balance of accounts receivable is not significant either, taking into account that the insolvency risk is less than 1% of revenue.

The Group is currently assessing the impact of the future application of the standards – which is mandatory from 1 January 2019 onwards – on the consolidated financial statements once they enter into force. It cannot reasonably estimate the impact until this analysis is complete. IFRS 16 Leases will supersede the current IAS 17 and will be effective as of 1 January 2019. The main change is that it includes a single accounting model for lessees, including all leases in the statement of financial position (with certain limited exceptions) as if they were financed purchases, with a similar impact to that of current finance leases. In contrast, lessor accounting will continue to use a dual model, similar to IAS 17. The Group accordingly believes the impact of adoption of this standard will be immaterial.

2.3 Functional currency

The presentation currency of the consolidated financial statements is the euro, which is the Group's functional currency.

2.4 Comparison of information

The information contained in the consolidated financial statements for 2016 is presented solely for comparison purposes with the information relating to the year ended 31 December 2017.

As indicated in Note 3, in September 2016, a reverse merger took place between Testa Residencial, SOCIMI, S.A. and the residential business of Metrovacesa, S.A., with the latter being the acquiring company. Hence the consolidated income statement for 2016 comprises only the period elapsed after the business combination date, i.e., three months, since Metrovacesa's residential business lacked separate financial statements, as they were included in those of Metrovacesa, S.A.

2.5 Responsibility for information and estimates

The information included in these consolidated financial statements is the responsibility of the Parent's directors.

In the Group's consolidated financial statements for 2017, estimates were occasionally made by the senior executives of the Group and of the consolidated companies, later ratified by the directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

1. The market value of the net assets acquired in business combinations (see Note 3).
2. The market value of the Group's investment property (see Note 5.2). The Group obtained valuations from independent experts at 31 December 2017.
3. The fair value of certain financial instruments (see Note 5.6).
4. The measurement of provisions and contingencies (see Note 5.11).
5. Management of financial risk and, in particular, of liquidity risk (see Note 24).
6. The recovery of deferred tax assets and the tax rate applicable to temporary differences (see Note 5.13).
7. The definition of the transactions performed by the Group as a business combination pursuant to IFRS 3 or as an asset acquisition (see Note 3).
8. Compliance with requirements regulating Real Estate Investment Trusts.
9. In the opinion of the Directors of the Parent Company, at 31 December 2017 the Parent Company and its subsidiaries were compliant with the requirements under the SOCIMI (Spanish REIT) statutory scheme, except the requirement relating to listing its shares on the stock exchange, the deadline for which is 22 September 2018.

At its meeting of 30 November 2017, the Board greenlighted the start of the process for listing the Parent Company's shares on Spain's "continuous market" in the coming months. For this reason, having regard to the support from shareholders, the Directors of the Parent Company believe that the listing requirement will be satisfied before the deadline, and are confident that the Parent Company will remain within the SOCIMI scheme.

Changes in estimates:

Although these estimates were made on the basis of the best information available at 31 December 2017, future events may require these estimates to be modified prospectively (upwards or downwards), in accordance with IAS 8. The effects of any change would be recognised in the corresponding consolidated income statement.

2.6 Consolidation principles applied

The companies over which the Group can exercise effective control by virtue of ownership of a majority of the voting rights in their representation and decision-making bodies and the power to govern their financial and operational policies were fully consolidated; and, where appropriate, the companies over which there is a significant influence but not ownership of a majority of the voting rights and the ownership interest held is over 20% were accounted for using the equity method. At 31 December 2017 and 2016, there was no Group company accounted for using the equity method.

In order to bring the accounting policies of Group companies into line with those used by the Parent, certain uniformity adjustments were made, including most notably the application of IFRSs to all Group companies.

It was not necessary to make any timing uniformity adjustments since the reporting periods of all the Group companies and associates end on 31 December 2017.

2.6.1 Subsidiaries

Subsidiaries are companies that the Parent controls, either directly or indirectly, through its subsidiaries. The Parent has control over a subsidiary when it is exposed, or has rights to variable returns from its involvement with the investee, and when it has the ability to use its power to affect its returns. The Parent has power when the voting rights are sufficient to give it the ability to direct the relevant activities of the investee. The Parent is exposed, or has rights, to variable returns from its involvement with the subsidiary when its returns from its involvement have the potential to vary as a result of the subsidiary's performance.

The financial statements of the subsidiaries are consolidated with those of the Parent using the full consolidation method. Accordingly, all material balances and effects of the transactions between consolidated companies are eliminated on consolidation.

Interests owned by third parties in Group equity and third parties' share in profit or loss for the year are recorded under "Non-controlling Interests" in the consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income.

The results of subsidiaries that are acquired or sold during 2017 are included in the consolidated income statement from the effective date of acquisition or until the effective date of disposal, as appropriate.

2.6.2 Transactions between Group companies

Gains or losses on internal transactions between consolidated companies are eliminated and deferred until they are realised with third parties outside the Group. Group work on in-house non-current assets is measured at production cost, eliminating the intra-group results. Receivables and payables between companies included in the consolidated group were eliminated from the consolidated financial statements, together with intra-Group income and expenses included in this group.

2.6.3 First-time consolidation differences

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired and liabilities assumed is recognised as goodwill. When the cost of acquisition is lower than the fair value of the identifiable net assets acquired and liabilities assumed, in other words, the acquisition is completed at a discount, the measurements of net assets and liabilities are reviewed and the difference is recognised, where appropriate, in profit/loss in the acquisition period.

2.6.4 Business combinations

The Group accounts for business combinations using the acquisition method. The acquisition date is the date on which the Group obtains control of the acquiree.

The consideration transferred is the sum of the acquisition-date fair values of the assets given, the liabilities incurred or assumed facing the former owners and the equity interests issued by the Group in exchange for control over the acquiree. Acquisition-related costs, such as professional fees, do not form part of the cost of the business combination and are taken to the consolidated income statement.

Meanwhile, any contingent consideration is measured at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration are recognised in consolidated profit or loss for changes that arise from events occurring after the acquisition date, such as fulfilling a profit target, reaching a certain share price or achieving a milestone in a research and development project. However, changes in the fair value of contingent consideration recognised by the acquirer after the acquisition date as a result of further information that becomes available to the acquirer after that date as to facts and circumstances already existing at the acquisition date constitute adjustments to the measurement period, which involve a modification of goodwill.

Goodwill is measured as the aggregate of the consideration transferred, the non-controlling interests and the fair value of any previously acquired interest, less the net fair value on the acquisition date of identifiable assets acquired

and liabilities assumed.

If the acquisition cost of the net identifiable assets acquired and liabilities assumed is lower than their net fair value, this lower value is recognised in the consolidated income statement for the year.

2.6.5 Changes in the scope of consolidation

The changes in the scope of consolidation of the Testa Group (comprising Testa Residencial, SOCIMI, S.A. and its subsidiaries) in 2017 were as follows:

Inclusions of companies in the scope of consolidation

In 2017, and following the business combination with Acciona Real Estate S.L. described in Note 3, Compañía Urbanizadora del Coto, S.L. and Valgrand 6, S.A.U. were included in the scope of consolidation.

Exclusions from scope of consolidation

In 2017, no companies were excluded from the Group's scope of consolidation.

2.6.6 Scope of consolidation

The companies forming the Testa Residencial, SOCIMI, S.A. and Subsidiaries Group at 31 December 2017, together with the information relating to the consolidation method are detailed in Appendix I to the consolidated financial statements.

3. Changes in the scope of consolidation and other variations

2017-

Non-monetary contribution of investment property from shareholder financial institutions

On 30 January 2017, the Extraordinary General Shareholders' Meeting of the Parent signed a non-monetary capital increase agreement, through the contribution of residential investment property, mainly from the Group's shareholder financial institutions, Banco Santander, S.A. Banco Bilbao Vizcaya Argentaria S.A. and Banco Popular, S.A. On 7 March 2017, this operation was ratified by the Parent's General Shareholders' Meeting in the amount of 659,723 thousand euros, through the contribution of 60 residential developments. The resolutions adopted by the respective shareholders' meetings were filed at the Companies Registry on 3 April 2017.

As consideration for the investment property received, the Parent performed a capital increase, through the issuance of 5,221,817,098 new shares of 0.01 euros par value each, with an issue premium of 0,11633977722 euros per share issued.

Integration agreement with the residential business of Acciona Real Estate, S.L.

On 27 July 2017, the Parent signed an agreement to take on the residential rentals business of Acciona Real Estate, S.L., in order to maintain its leadership position on the Spanish residential rental asset market. On 14 September 2017, it was ratified by the General Shareholders' Meetings of the Parent and Acciona Real Estate, S.L. The resolutions adopted by the respective shareholders' meetings were filed in the Companies Registry on 17 October 2017.

The operation was organised through the contribution to the Group of the residential business of Acciona Real Estate, S.L., consisting of 99,655% of the equity interests of Compañía Urbanizadora del Coto, S.L., all of the equity interests of Valgrand 6, S.A.U. and certain homes located in Lérida. As consideration, the Parent performed a capital increase, through the issuance of 2,645,404,051 shares of 0.01 euros par value each, with an issue premium of 0,116946213484044 euros per share issued. In accordance with the partners agreement subscribed with Acciona Real Estate, S.L., the contributions made by the latter, once the commitment the Parent has with one of its shareholders is capitalized (see Note 26), must not be less than 20% of the Group's value at the date of the

agreement, having only to make a cash compensation in case the stake of Acciona Real Estate, S.L. is below the aforementioned value.

The Parent estimates that it must pay to Acciona Real Estate, S.L. and amount of 5,400 thousand euros, which is recognised under "Current payables to related companies" in the accompanying consolidated statement of financial position (see Note 20.2).

Moreover, the shareholder agreement stipulates at clause 8.7 that if the Group fails to list its shares on the stock exchange before 21 September 2022, Acciona Real Estate S.L. may, within the six months following that date, exercise an option to redeem the shares subscribed for in the context of the contribution referred to above. In exchange, Acciona Real Estate, S.L. would receive an amount equal to the percentage represented by its shares of the Group's EPRA NAV at the date of redemption. Settlement would be made, at the Parent's election, in cash or by means of transferring the assets received in the context of the contribution made in 2017, and if this were the case, the difference with respect to the Group's EPRNAV at the date of the amortisation would be settled in cash.

Under prevailing accounting rules and standards, the right held by Acciona Real Estate, S.L. represents for the Group a potential obligation to repurchase shares issued for the purpose of the capital increase subscribed for by Acciona Real Estate, S.L. The Group has accordingly recognised a non-current liability measured as the present value of that obligation, using a discount rate equivalent to the Group's incremental interest rate which initially came to 349,761 thousand euros, within "Other non-current liabilities" in the consolidated statement of financial position. The liability is later carried at fair value, with changes in value being taken to the consolidated income statement.

The Directors of the Parent believe it is highly probable the Group will list its shares on the stock exchange before 21 September 2022, and Acciona Real Estate S.L.'s option to redeem its shares will lapse, such that the liability will immediately become equity for the same amount.

The summary of this business combination is as follows:

	Thousands of euros		
	Carrying amount	Fair Value	adjustment value
Investment property (Note 7)	332,313	81,288	413,601
Service concession arrangements (Note 8)	1,993	973	2,966
Non-current financial assets	1,082	-	1,082
Deferred tax assets (Note 17.3)	10,706	-	10,706
Other property, plant and equipment	40,540	-	40,540
Deferred tax liabilities (Note 17.4)	(39,657)	(5,903)	(45,560)
Non-current liabilities	(79,563)	-	(79,563)
Current liabilities	(1,388)	-	(1,388)
Total net assets included	266,026	76,358	342,384
Non-controlling interests included			(732)
Consideration transferred (a)			341,652
Goodwill (negative difference) arising on the business combination			-

- (a) The fair value of the consideration transferred was calculated by applying to issued shares (2,645,404,051) the value of the Group (€0,126946213484044) as at 14 September 2017, the date of transfer of control, increased by 5,400 thousand euros in respect of the obligation arising to compensate for the decrease of the Group value to below 20%. The integration agreement of the business of Acciona Real Estate, S.L. did not include any other type of contingent consideration.

In order to estimate the fair value of the net assets of the Acciona Real Estate, S.L. business, which mainly engages in real estate, the Parent used appraisals performed by independent experts not related to the Group. The tax effect estimated by the Group's directors associated with the recognition of such increased value amounted to 5,903 thousand euros, which was recognised under "Deferred tax liabilities" in the accompanying consolidated statement of financial position (see Note 17.4).

This transaction was performed in accordance with the special tax system envisaged in Chapter VII of Title VII of article 89 of the Corporate Income Tax Law 27/2014, of 27 November. The tax benefits received for the integration of the business of Acciona Real Estate, S.L. relate mainly to deferred tax assets and liabilities amounting to 10,706 thousand euros and 41,756 thousand euros, respectively (see Note 17).

The associated transaction costs in the operation amounted to 554 thousand euros, and were recognised under "Other operating expenses" in the accompanying 2017 consolidated income statement.

The fair value of the accounts receivable acquired, mainly of a commercial nature, amounted to 680 thousand euros and did not differ from its gross contractual amounts. The Directors do not consider that, at the acquisition date, there were signs that such accounts would not be collected in full.

The net profit and the revenue obtained from Acciona Real Estate, S.L.'s residential business incorporated in 2017 and included in the 2017 consolidated income statement amounted to 11,370 thousand euros and 2,890 thousand euros, respectively.

Had the business been acquired on 1 January 2017, the net profit would have risen by 10,107 thousand euros, and the income contributed to the Group would have risen by 8,786 thousand euros, approximately, in comparison with these financial statements. The directors consider that these proforma figures represent a reasonable estimate of annual performance of the new business combination and constitute an initial benchmark for comparison with future years. In order to determine these proforma revenue and profit/loss, the Group's management took into account the following:

- The impairment on non-current assets was calculated on the basis of their fair values at the date of the business combination.
- Finance costs have been calculated on the basis of the debt position following the business combination.

Net cash flows from the acquisition-

	Thousands of euros
Cash paid	-
Cash and cash equivalents included	39,706
Total	39,706

In any case, in conformity with IFRS 3, these initial estimates are provisional and the Group has a one-year period to adjust them in line with any subsequent more significant or complete information that it could receive.

2016 -

Integration agreement of the residential businesses of Metrovacesa, S.A. and Merlin Properties SOCIMI, S.A. (sole shareholder of Testa Residencial S.L.U.)

On 21 June 2016, Merlin Properties SOCIMI, S.A. (Sole Shareholder of Testa Residencial, S.L.U.) signed on that date an integration agreement with Metrovacesa, S.A. and its main shareholders (Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A. and Banco Popular Español, S.A.) in order to create one of the main Spanish real estate companies engaging in leased residential assets. On 26 August 2016, the integration was approved by the Spanish competition authorities and on 15 September 2016 it was approved by the General Shareholders' Meetings of Merlin Properties SOCIMI, S.A. and Metrovacesa, S.A. The resolutions adopted by the respective shareholders' meetings were filed in the Companies Registry on 26 October 2016.

The transaction was performed through the total spin-off of Metrovacesa, S.A., leading to the extinguishment of that company and to the integration into the Parent of the residential business unit of Metrovacesa, consisting of the residential real estate assets earmarked for lease (including part of the Metrovacesa Group's personnel and residential assets, shares or equity interests in subsidiaries or investees, contracts and, in general, all non-financial assets and liabilities of Metrovacesa associated with residential assets and, additionally, 250 million euros of financial debt). As consideration for the business received, Testa Residencial S.L.U. (currently Testa Residencial, SOCIMI, S.A.) performed a capital increase, through the issuance of 3,075,278,154 shares of 1 eurocent par value each, with an issue premium of 0,133656923 euros per share issued. This increase was fully subscribed by the shareholders of Metrovacesa, S.A. As a result of this transaction, the shareholders of Metrovacesa, S.A. acquired 65.76% of the Parent's share capital (Banco Santander 46.21%, Banco Bilbao Vizcaya Argentaria 13.34% and Banco Popular 6.21%).

The following aspects have been considered with respect to the recognition of the transaction for accounting purposes:

- The integration of the residential businesses of Testa Residencial and Metrovacesa, in line with that stipulated in the international financial reporting standards (IFRSs), is a reverse acquisition due to, among other reasons, the preexisting shareholders of Metrovacesa maintain the majority of the voting rights in the resulting entity (Testa Residencial SOCIMI, S.A.), all this considering that the residential rental business of Metrovacesa is a "reporting entity" itself in conformity with Exposure Draft ED 2015/3 on the accounting framework and, therefore, the interpretation of IFRIC reached in September 2011, that concluded that an acquirer which is a "reporting entity" but not a "legal entity" can be considered as the acquirer in a reverse acquisition. The net assets of Testa Residencial (the business acquired from an economic point of view), in accordance with IFRS 3, are incorporated at fair value at the business combination date, as follows:

	Thousands of euros		
	Carrying amount	Value Fair	adjustment included
Intangible assets	14,149	65,943	80,092
Investment property	116,671	139,153	255,824
Service concession arrangements	3,392	759	4,151
Other non-current assets	1,997	-	1,997
Deferred tax assets	266	-	266
Current assets	2,420	-	2,420
Deferred tax liabilities	-	(43,216)	(43,216)
Non-current provisions	-	(108,563)	(108,563)
Non-current liabilities	(112,750)	-	(112,750)
Current liabilities	(2,403)	-	(2,403)
Total net assets	23,742	162,639	186,381
Fair value of consideration received (a)			186,381
Goodwill (negative difference) arising on the business combination			-

(a) Based on the number of equity instruments of the residential business operated by Metrovacesa, S.A. that would have had to have been issued to give Merlin Properties SOCIMI, S.A. a 34.33% stake in the combined entity arising from the reverse takeover.

In accordance with accounting regulations relating to reverse acquisitions, the Group's combined initial equity relates to Metrovacesa's residential business, plus the increased assets equivalent to the fair value of the net assets of Testa Residencial, SOCIMI, S.A., although the share capital corresponds to that of Testa Residencial, SOCIMI, S.A., the company that legally remains.

In order to estimate the fair value of the net assets of the company, which mainly engages in real estate, the Group used appraisals performed by independent experts. The tax effect estimated by the Group's directors associated with the recognition of such increased value amounted to 43,216 thousand euros, which was recognised under "Deferred tax liabilities" in the accompanying consolidated statement of financial position.

This operation was performed in accordance with the special tax system envisaged in Chapter VII of Title VII of article 89 of the Corporate Income Tax Law 27/2014, of 27 November. The tax effects of the business combination related chiefly to deferred tax assets and liabilities, which came to 266 thousand euros and 43,216 thousand euros, respectively (see Note 17). The residential businesses recognised in the aforementioned business integration did not include unused tax loss carryforwards or tax credits.

Transaction costs came to 1,394 thousand euros, and were recognised in the consolidated income statement for 2016.

The fair value of the accounts receivable recognised, mainly of a commercial nature, amounted to 196 thousand euros and did not differ from its gross contractual amounts. The directors of the Parent did not consider that, at the acquisition date, there were signs that such accounts would not be collected in full.

Net cash flows from the acquisition-

	Thousands of euros
Cash paid	-
Cash and cash equivalents included	891
Total	891

4. Appropriation of profit of the Parent

The proposed distribution of the loss for 2017 put forward by the directors of the Parent, which is yet to be approved by the General Shareholders' Meeting, is as follows:

	euros
Basis of apportionment: Loss for the year	(10,161,937.59)
Application: Prior years' losses	(10,161,937.59)

5. Accounting policies

The main accounting principles, policies and measurement criteria applied by the Group in preparing the consolidated financial statements, which comply with the IFRS in force at the date thereof, are detailed below:

5.1 Intangible assets

This heading includes the computer software and intangible assets relating to concession projects. They are stated at acquisition or production cost, less accumulated amortisation and accumulated impairment losses. An intangible asset shall be recognised if, and only if, it is probable that the expected future economic benefits attributable to the asset will flow to the Group, and its cost can be measured reliably.

The gain or loss on the derecognition of an intangible asset is calculated as the difference between the net profit on the sale and the carrying amount of the asset, and is recognised in the separate consolidated income statement when the asset is derecognised.

Computer software

“Computer software” includes the amount of the computer programmes, acquired from third parties, exclusively in those cases in which it is envisaged that it will be used over various years. It is amortised over its useful life, which is commonly four years.

Concession projects

This heading includes the administrative concessions, which are stated at acquisition or production cost, less accumulated amortisation and accumulated impairment losses.

The administrative concession recorded in the business integration described in Note 5 has been recorded at fair value on the date of said integration, and it is amortised on a straight-line basis over the years of the concession.

The gain or loss on the derecognition of a concession project is calculated as the difference between the net profit on the sale and the carrying amount of the asset, and is recognised in the separate consolidated income statement when the asset is derecognised.

This heading includes the “Bentaberri” concession in San Sebastián (Guipúzcoa). It is amortised on a straight-line basis over the concession period, which ended in 2069, with a total initial duration of 75 years. This concession was granted by the Basque Government.

5.2 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation or both (including property under construction for such purposes) rather than for use in production or supply of goods or services or for administrative purposes of the Group or for sale in the ordinary course of business.

All assets classified as investment property are leased by various tenants. These properties are held for lease to third parties. The directors of the Parent are not considering the disposal of these assets in the near term and, accordingly, have decided to keep them as investment property in the consolidated statement of financial position.

Investment property is stated at fair value at the end of the reporting period and is not depreciated. Investment property comprises land, buildings or other constructions held to earn rents or for capital appreciation upon disposal due to future increases in their respective market prices.

Gains or losses arising from fluctuations in the fair value of investment property are taken to profit or loss in the same period in which they occur.

While construction work is in progress, the costs of construction work and finance costs are capitalised. When the asset is put to use, it is recognised at its fair value.

In accordance with IAS 40, the Group periodically determines the fair value of its investment property so that, at year end, the fair value reflects the market conditions of the items of investment property at that date. Fair value is determined half-yearly based on independent expert appraisals.

The fair value of the investment property was calculated by independent valuers 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 methodology used to calculate the fair value of investment property is detailed in Note 7.

5.3 Impairment of intangible assets

At least at year-end the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

The fair value of the concession project was calculated by independent valuers 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 methodology used to calculate the fair value of investment property is detailed in Note 7.

5.4 Leases

5.4.1 Classification of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially the risks and rewards of ownership to the Group, which usually has an option of acquiring the asset at the end of the lease under the conditions agreed when the transaction was arranged. Other leases are classified as operating leases.

All the Group's leases are classified as operating leases.

5.4.2. Lessor accounting

Operating leases

Assets leased out under operating leases are presented according to the nature of the asset.

Rental income from operating leases, net of incentives granted, is recognised on a straight-line basis over the lease term.

Contingent rents are recognised as income when it is probable that they will be obtained, which is generally when the conditions agreed in the contract are met.

5.4.3 Lessee accounting

Operating leases

Operating lease payments, net of incentives received, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the proceeds from the leased asset.

The Group recognises the initial direct costs incurred in operating leases as an expense when incurred. Contingent rents are charged as expenses when it is probable that they will be incurred.

5.5 Financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument set out in IAS 32 "Financial Instruments: Presentation".

Financial instruments are recognised when the Group becomes party to the contract or legal transaction, in accordance with the provisions thereof.

For measurement purposes, financial instruments are classified as financial assets and liabilities at fair value through profit or loss, separating those initially designated from those held for trading, loans and receivables, held-to-maturity investments, available-for-sale financial assets and financial liabilities at amortised cost. The classification in the aforementioned categories is performed on the basis of the characteristics of the instrument and the Group's intention upon initial recognition.

Financial assets

Financial assets are recognised in the consolidated statement of financial position when they are acquired and are initially measured at fair value. The financial assets held by the Group companies are classified as:

1. Loans and receivables are initially measured at the fair value of the consideration given plus directly attributable transaction costs and, thereafter, at amortised cost. The Group has recognised provisions to cover uncollectability risks. These provisions are calculated according to the probability of recovering the debt based on its age and the debtor's solvency. At 31 December 2017, the fair value of these assets was not materially different from their value in the consolidated statement of financial position.
2. Held-to-maturity investments: assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity.

The concession agreements whose consideration received consists of an unconditional right to receive cash or another financial asset, are classified as a financial asset within the category of loans and receivables. These are initially valued at the fair value of the service rendered, which in principle equates to the cost plus the construction margin.

In the case of concession agreements classified as financial assets, replenishment actions, major repairs, those necessary to revert and / or conserve the infrastructure, as well as improvements or expansions of capacity, originate the recognition of the corresponding financial asset. The financial expenses accrued until the infrastructure is in operating conditions, as well as those that occur subsequently, are charged to the consolidated income statement at the time of accrual.

At least at each reporting date, the Group tests its financial assets not measured at fair value for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the consolidated income statement.

The Group derecognises a financial asset when the rights to cash flows from the asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred. However, the Group does not derecognise financial assets and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

Financial liabilities

The main financial liabilities held by Group companies are held-to-maturity financial liabilities, which are measured at amortised cost. The financial liabilities held by the Group companies are as follows:

1. Bank and other loans: loans from banks and other lending institutions are recognised at the amount received, net of related transaction costs. They are subsequently measured at amortised cost. Borrowing costs are recognised on an accrual basis in the consolidated income statement using the effective interest method and are added to the carrying amount of the financial instrument to the extent that they are not settled in the period in which they arise.
2. Trade and other payables: Trade payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method.

The Group derecognises financial liabilities when the obligations giving rise to them are extinguished.

5.6 Derivative financial instruments and hedging transactions

The Group uses derivative financial instruments to hedge the risks to which its business activities, operations and cash flow are exposed. These risks are mainly due to variations in interest rates. Among the various transactions, the Group arranges certain financial instruments as economic hedges.

For these financial instruments to qualify for hedge accounting, they are designated as hedges at inception and the hedging relationship is documented. The Group also verifies the effectiveness of the hedge initially and on an ongoing basis throughout the term of the hedge (at least at the end of each reporting period). A hedge is effective if it is expected, prospectively, that the changes in the fair value or the cash flows from the hedged item (attributable to the hedged risk) are almost entirely offset by the changes in those of the hedging instrument and that, retrospectively, the gains or losses on the hedge have fluctuated within a range of 80% to 125% of gains or losses on the hedged item.

Derivatives are initially recognised at acquisition cost in the consolidated statement of financial position and the necessary valuation adjustments are subsequently made to reflect their fair value at any given time. These are classified in the consolidated statement of financial position under "Non-current investments - Derivatives" and "Other current financial assets - Derivatives" if they are positive, and under "Non-current investments - Derivatives" and "Non-current financial liabilities - Derivatives" if they are negative. Gains or losses on such fluctuations are recognised in the consolidated income statement unless the derivative instrument has been designated as a hedging instrument and is highly effective, in which event the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised temporarily in equity and taken to profit and loss in the same period during which the hedged item affects profit or loss.

Hedge accounting is discontinued when the derivative instrument expires or is sold, terminated or exercised or no longer meets the criteria for hedge accounting. Any accumulated gain or loss for the derivative recognised in equity remains in equity until the planned transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss.

The fair value of the various derivative financial instruments is calculated using the valuation techniques described in Note 5.7 below.

5.7 Valuation techniques and assumptions used to measure fair value

The fair values of financial assets and financial liabilities are determined as follows:

- Fair values of financial assets or liabilities with standard terms and conditions traded on active liquid markets are determined by reference to their quoted market price.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally-accepted valuation models on the basis of discounted cash flows using the prices of observable market transactions and contributor quotes for similar instruments.
- The fair value of interest rate swaps is calculated by discounting the future settlements between fixed and floating interest rates to their present value, in line with implicit market rates, obtained from long-term rate swap curves. Implied volatility is used for the calculation by means of option pricing formulas of the fair values of caps and floors.

Also, in the measurement of derivative financial instruments, the risk inherent in the hedged item or position must be effectively eliminated throughout the term of the hedge, and the fact that the financial derivative was arranged specifically to hedge certain balances or transactions and the manner in which this effective hedge was to be achieved and measured must be properly documented. In addition, the inherent risk requires including the credit risk of the parties participating in the agreement (both own risk and counterparty risk) in the measurement of the derivatives. The Group applied the discounted cash flow method, considering a discount rate affected by the Testa Group's own risk.

Financial instruments measured subsequent to their initial recognition at fair value are categorised into levels 1 to 3, based on the extent to which the fair value is observable.

- Level 1: measurements derived from (unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: measurements derived from "inputs" other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial assets and liabilities measured at fair value at 31 December 2017 are as follows:

2017

	Thousands of euros			
	Level 1	Level 2	Level 3	Total
Liability-side derivative financial instruments (Note 14)	-	120	-	120
Other financial liabilities in the long-term	-	-	355,565	355,565
	-	120	355,565	355,685

2016

	Thousands of euros			
	Level 1	Level 2	Level 3	Total
Liability-side derivative financial instruments	-	940	-	940
	-	940	-	940

Note 14 provides information on calculating the fair value of investment property, in accordance with the valuation techniques described therein.

5.8 Equity instruments

An equity instrument is any contract that evidences a residual interest in the equity of the Parent after deducting all of its liabilities.

Equity instruments issued by the Parent are recognised in equity at the proceeds received, net of issue costs.

The Parent's equity instruments acquired by the Group are recognised separately at acquisition cost and deducted from equity in the consolidated statement of financial position, irrespective of the reason for which they were acquired. No gains or losses from transactions involving own equity instruments are recognised in profit or loss.

If the Parent's equity instruments are subsequently redeemed, capital is reduced by the nominal amount of such shares and the positive or negative difference between the acquisition price and nominal amount of the shares is debited or credited to reserves.

The transaction costs related with own equity instruments are recognised as a reduction of equity, once any tax effect has been considered.

5.9 Distribution to shareholders

Dividends are paid in cash, and are recognised as a reduction of equity when their distribution is approved by the General Shareholders' Meeting.

The Parent has opted to apply the special regime for REITs. Pursuant to Article 6 of Law 11/2009, of 26 October 2009, amended by Law 16/2012, of 27 December, REITS that have opted for the special tax regime are required to distribute the profit for the year to shareholders in the form of dividends, once the related corporate obligations have been met. The dividend distribution must be approved within six months of each year-end and paid in the month following the date of the distribution resolution.

Also, as established by Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, the Parent shall distribute as dividends:

- All the profit from dividends or shares in the profits paid by the entities referred to in Article 2.1 of Law 11/2009.
- At least 50% of the profits arising from the transfer of property, shares or investments to which Article 2.1 of Law 11/2009 refers, performed once the time periods referred to in Article 3.2 of Law 11/2009 have elapsed, which are used to achieve the Company's principal object. The remainder of these profits should be reinvested in other buildings or investments related to the performance of this object within three years from the transfer date. Otherwise, these profits should be distributed in full, together with any profits arising in the year in which the reinvestment period expires. If the items subject to reinvestment are transferred before the retention deadline, the related profits must be distributed in full, together with any profits proceeding in the year in which they were transferred. The distribution obligation does not extend to the portion of these profits, if any, that may be allocated to years in which the Company did not file tax returns under the special tax regime established in Law 11/2009.
- At least 80% of the remaining profits obtained. When dividends are distributed with a charge to reserves out of profit for a year in which the special tax regime has been applied, the distribution must be approved as set out above.

5.10 Cash and cash equivalents

The Group classifies under "Cash and Cash Equivalents" cash and short-term, highly liquid investments that are easily convertible into cash, have an investment term of less than three months and are not subject to a significant risk of changes in value. The interest associated with these transactions is recognised as income on an accrual basis and the interest not yet due at the end of the reporting period is included as an increase in "Cash and Cash Equivalents" in the consolidated statement of financial position.

5.11 Provisions

In preparing the consolidated financial statements, the Parent's directors made a distinction between:

- Provisions: credit balances covering obligations deriving from past events, where cancellation is likely to give rise to an outflow of funds, which are indeterminate with regard to their amount and/or timing of cancellation.
- Contingent liabilities: possible obligations arising from past events, the materialisation of which will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the Group.

The consolidated financial statements disclose all provisions in respect of which it is thought that it is more likely than not that the Company will have to settle the obligation. Contingent liabilities are not recognised in the consolidated financial statements, but rather disclosure is provided in the explanatory notes, unless the possibility of an outflow in settlement is considered remote.

Provisions are stated at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available regarding the event and its consequences, and recognising those adjustments that arise from the restatement of those provisions as a finance cost as they accrue.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Group is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

5.12 Revenue recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Rental income is measured at the fair value of the consideration received, less discounts and tax.

Discounts (rent waivers and rebates) granted to customers are recognised as a reduction to rental income when it is probable that the conditions determining the granting thereof will be fulfilled.

Discounts are recognised by expensing the total rent waiver or rebate on a straight-line basis over the term of the lease agreement in force. If the lease agreement is cancelled earlier than expected, any outstanding rent waiver or rebate is recognised in the last period prior to the end of the agreement.

Leases of investment property to third parties

The companies forming part of the Group engage mainly in the acquisition and lease of residential buildings. The Group's revenue is generated from the lease of these investment properties to third parties.

The revenue arising from the lease of investment property is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the result of the transaction can be estimated reliably. The Group's lease revenue is recognised by the companies on a monthly basis, in accordance with the terms and conditions and amounts agreed in the various lease agreements with the lessees. This revenue is only recognised when it can be measured reliably and it is probable that the economic benefits will arise from the lease.

Where the outcome of services rendered cannot be estimated reliably, revenue is recognised to the extent that the expenses incurred are deemed recoverable.

Community expenses invoiced to lessees are recognised net of other operating expenses.

5.13 Income tax expense

5.13.1 General regime

Income tax expense (tax revenue) comprises current tax expense (current tax revenue) and deferred tax expense (deferred tax revenue).

Current tax is the amount of taxes the Group pays as a result of income tax settlements for a period. Tax credits and other tax benefits, excluding withholdings and prepayments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences, measured at the amount expected to be payable or recoverable, between the carrying amounts of assets and liabilities and their tax bases, as well as unused tax loss carryforwards and tax credits. These amounts are measured by applying to the corresponding temporary difference or tax asset the tax rate at which the asset is expected to be realised or the liability is expected to be settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill, the amortisation of which is not deductible for tax purposes, or of other assets and liabilities in a transaction that affects neither accounting profit (loss) or taxable profit (tax loss).

Deferred tax assets are recognised to the extent that it is probable that the Company will have taxable profit available in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from items directly charged or credited to equity accounts are also recognised with a charge or credit, respectively, to equity.

At each year end recognised deferred tax assets are reassessed and all appropriate adjustments are made to the extent that there are any doubts regarding future recovery. Unrecognised deferred tax assets are also reassessed at the end of each reporting period, and are recognised to the extent it is likely they will be recovered through future taxable profit.

5.13.2 REIT regime

The REIT special tax regime, as amended by Law 16/2012, of 27 December, provides a 0% corporate income tax rate provided certain requirements are met. These requirements include most notably the need for at least 80% of their assets to consist of either urban properties earmarked for lease and taken into full ownership, or investments in companies that meet the same investment and profit distribution requirements, whether Spanish or foreign, listed or otherwise on organised markets. Also, the main sources of revenue for these entities must be the property market, whether through rent, the subsequent sale of properties after a minimum rental period or income from investments in entities with similar characteristics. However, income tax accrues in proportion to the dividends distributed. Dividends received by shareholders are tax-exempt, unless the recipient is a legal person subject to income tax or a permanent establishment of a foreign entity, in which case, a tax credit will be taken on the gross tax payable so that the income will be taxed at the rate applicable to the shareholder. However, all other income will not be taxed provided that it is not distributed to shareholders.

As provided for in Transitional Provision Nine of Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December, governing REITs, the entity shall be taxed at a 19% rate on the total amount of dividends or profit shares distributed to owners with a shareholding in the entity of 5% or more, when these dividends are exempt or taxed at a rate below 10% at the owners. Accordingly, the Group has established a procedure guaranteeing confirmation by shareholders of their tax status, withholding, where applicable, 19% of the amount of the dividend distributed to shareholders that do not meet the aforementioned tax requirements.

5.14 Termination benefits

Under current legislation, the Group companies are required to pay termination benefits to employees terminated under certain conditions without justified cause. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The consolidated financial statements at 31 December 2017 did not include any provision in this connection, since no situations of this nature are expected to arise.

5.15 Current assets and liabilities

The Group classifies assets and liabilities as current or non-current in the consolidated statement of financial position. For these purposes, current assets and liabilities are those that meet the following criteria:

- Assets are classified as current when they are expected to be realised in, or are intended for sale or consumption in the Group's normal operating cycle, are held primarily for the purpose of being traded, are expected to be realised within twelve months of the end of the reporting period or when they involve cash or cash equivalents, unless they cannot be exchanged or used to settle a liability for at least 12 months after the end of the reporting period.
- Liabilities are classified as current when they are expected to be settled within the Group's normal operating cycle, when they are held primarily for the purposes of being traded, they are due to be settled within twelve months of the end of the reporting period, or the Group does not have an unconditional right to defer settlement of the liability within 12 months following the end of the reporting period.
- Derivative financial instruments not held for trading are classified as current or non-current on the basis of their term of regular settlement or maturity.

5.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the Group's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance, and for which different financial information is available.

The Parent's directors consider that the Group's sole business is the lease of homes, all located in Spain. Accordingly, all activities performed by the Group constitute a unique business operating segment.

5.17 Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the period attributable to the Parent by the weighted average number of ordinary shares outstanding during the period, excluding the average number of shares of the Parent held by Group companies.

5.18 Diluted earnings per share

Diluted earnings per share are calculated by adjusting the profit or loss for the year attributable to holders of equity instruments of the Parent and the weighted average number of outstanding ordinary shares by all the dilutive effects inherent to the potential ordinary shares, i.e. as if all the potentially dilutive ordinary shares had been converted.

The Parent does not have different classes of potentially dilutive ordinary shares.

5.19 Environmental information

The Group carries out activities designed mainly to prevent, reduce or repair any damage to the environment that could be caused by its activities.

Expenses related to environmental activities are recognised as operating expenses in the period in which they are incurred. Nevertheless, given the nature of the Group's activity, it does not have a significant impact on the environment.

5.20 Consolidated statements of cash flows

The consolidated cash flow statements have been prepared using the indirect method and the terms used are defined as follows:

1. Cash flows: inflows and outflows of cash and cash equivalents, defined as short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
2. Operating activities: regular activities engaged in by companies that belong to the consolidated group, in addition to other activities that do not fall under the categories of investing or financing activities.
3. Investing activities: the acquisition, disposal or holding by other means of long-term assets and other investments not included in cash and cash equivalents.
4. Financing activities: activities that result in changes in the size and composition of equity and borrowings and that are not operating activities.

6. Concession projects and other intangible assets

The changes in the Intangible assets heading in 2017 and 2016 were as follows:

2017

	Thousands of euros		
	31.12.2016	Additions or provisions	31.12.2017
Cost:			
Computer software	37	98	135
Concession projects	162,523	50	162,573
Accumulated amortisation:			
Computer software	(3)	(33)	(36)
Concession projects	(3,147)	(3,083)	(6,230)
Total intangible assets	159,410		156,442

2016

	Thousands of euros		
	Business integration	Additions or provisions	31.12.2016
Cost:			
Computer software	37	-	37
Concession projects	162,523	-	162,523
Accumulated amortisation:			
Computer software	-	(3)	(3)
Concession projects	(2,340)	(807)	(3,147)
Total intangible assets	160,220		159,410

The concession projects (which are owned by Testa Residencial SOCIMI, S.A. and Testa Alquileres Urbanos, S.L.U. at 50%) related to the administrative concession for the "Bentaberri" housing complex located in San Sebastián (Guipúzcoa). This housing complex was operated under an administrative concession granted by the Basque Government for a total of 75 years, maturing in 2069.

All the Group's intangible assets are used in business activities in line with its activity and are located in Spain. The Group's concessions relate to properties earmarked for rental to be used exclusively as homes.

At 31 December 2017 and 2016, the Group operated under this heading 47,302.06 square meters of leasable gross surface area with an occupancy rate of 97% and 99%, respectively.

At 31 December 2017 and 2016, the Group had no fully amortised intangible assets.

At 31 December 2017, the Group had a mortgage guarantee on the Bentaberri housing complex, to secure a loan amounting to 24,246 thousand euros (see Note 14).

The Group has taken out adequate insurance coverage for this non-current asset.

Impairment

The fair value of the concession project was calculated by independent valuers 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 methodology used to calculate the fair value of investment property is detailed in Note 7.

The recoverable value of the concession project at 31 December 2017, calculated on the basis of appraisals carried out by Savills Consultores Inmobiliarios, S.A., not related to the Group, totalled 164,704 thousand euros (162,820 thousand euros at 31 December 2016). According to this independent expert appraisal, no assets existed with a recoverable value lower than their carrying amount.

Related income and expenses

Revenue in 2017 and 2016 relating to income from the Group's concessions amounted to 3,986 thousands euros and 1,092 thousand euros, respectively, and the net operating expenses for all items relating to these concessions totalled 360 thousand euros and 150 thousand euros, respectively.

7. Investment property

The detail of and changes in this heading in 2017 and 2016 were as follows:

2017

	Thousands of euros					
	31.12.2016	Business combination (Note 3)	Additions/	Withdrawals	Change in value of investment property	31.12.2017
Buildings for lease	912,304	413,601	719,050	(4,085)	65,209	2,106,079
Investment property	912,304	413,601	719,050	(4,085)	65,209	2,106,079

2016

	Thousands of euros				
	Business integration	Additions	Retirements	Change in value of investment property	31.12.2016
Buildings for lease	892,875	-	(4,524)	23,953	912,304
Investment property	892,875	-	(4,524)	23,953	912,304

Buildings for lease

The changes in buildings for lease recognised in 2017 relate to the following:

- In March 2017, the Group's Parent incorporated investment property amounting to 659,723 thousand euros, as a result of subscribing to the non-monetary capital increase with the shareholder financial institutions, described in Note 3, which correspond mainly to homes located in Andalusia, Aragón, Asturias, the Canary Islands, Madrid, the Basque Country, Catalonia, the Balearic Islands, Navarre, Valencia Autonomous Community, Castilla León, Castilla La Mancha, Galicia and Navarre.
- In September 2017, the Group included investment property totalling 413,601 thousand euros, as a result of the business combination with Acciona Real Estate S.L., described in Note 3, which relate mainly to homes located in Madrid and Lérida.
- In September 2017, the Group's Parent included investment property totalling 5,367 thousand euros, as a result of the non-monetary capital increase subscribed with Real Estate Deal II, S.A. (Company in liquidation), which relate to homes located in calle Calcio, Madrid.
- In September 2017, the Group's Parent acquired investment property from a third party totalling 45,217 thousand euros, which relate to homes located in Madrid.
- In December 2017, the Group's Parent acquired investment property from a third party totalling 4,140 thousand euros, which relate to homes located in Vallecas, Madrid.
- Furthermore, in 2017 the Parent and the rest of the Group's subsidiaries invested in improving their assets in an amount of 4,603 thousand euros, of which 1,157 thousand euros related to increased acquisition costs of those assets.
- In relation to derecognitions, in 2017, the Group sold 12 homes located in the Madrid Autonomous Community totalling 4,371 thousand euros. This transaction generated a gain of 286 thousand euros, which was recognised under "Gains/(Losses) on disposal of non-current assets" in the 2017 consolidated income statement.

The changes in buildings for lease recognised in 2016 relate to the following:

- Following the integration of residential businesses of Merlin and Metrovacesa described in Note 3, the Group included investment property therefrom, which related mainly to homes located in Madrid, the Basque Country, Catalonia, the Balearic Islands, Navarre, Valencia Autonomous Community, Castilla León and Castilla La Mancha.
- Also, the Dominant Society sold 15 homes located in the Madrid Autonomous Community and Catalonia, totalling 4,687 thousand euros. This transaction generated a gain of 163 thousand euros, which was recognised under "Gains/(Losses) on disposal of non-current assets" in the 2017 consolidated income statement.

Investment property is stated at fair value. The amount of revenues recognised in the consolidated income statement for 2017, arising from the measurement at fair value of investment property, came to 65,209 thousand euros (23,953 thousand euros in 2016).

The Group takes out the insurance policies it considers necessary to cover the risks that might affect its investment property. At 31 December 2017, the Parent's directors estimated that all these risks had been adequately covered.

At 31 December 2017, the Group did not have any firm investment property purchase commitments. No finance costs were capitalised in 2017.

At 31 December 2017, the Group had a mortgage guarantee on various properties, to secure loans amounting to 101,216 thousand euros (see Note 14).

As at 31 December 2017 and 2016, the Group was operating, within this caption, 790,436.53 square metres of gross leasable housing and 41,605.27 square metres of gross commercial premises at 31 December 2017, and 392,567.51 square metres of gross leasable housing and 17,522.78 square metres of gross commercial premises at 31 December 2016, with occupancy of 90% and 91%, respectively.

Related income and expenses

In 2017 and 2016, revenue arising from investment property rentals owned by the Group stood at 48,244 thousand euros and 7,914 thousand euros, respectively, and the net operating expenses for the items related thereto came to 12,731 thousand euros and 2,199 thousand euros, respectively.

Measurement of fair value and sensitivity

All investment property leased or earmarked for lease through operating leases is classified as investment property.

In accordance with IAS 40, the Group periodically determines the fair value of its investment property so that, at the end of each semester, the fair value reflects the market conditions of the investment property items at that date. The fair value is determined by reference to the appraisals carried out every six months by independent valuers.

The market value of the Group's investment property at 31 December 2017 and 2016, calculated on the basis of valuations made by Savills Consultores Inmobiliarios, S.A., independent appraisers not linked to the Group, amounted to 2,106,079 thousand euros (912,304 thousand euros at 31 December 2016). The valuation was carried out 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), using discounted cash flows, applying two assumptions. These entail the following:

Profitability Assumption (used for all those properties over which the Group has all the units): the method used to calculate the market value of investment property involves drawing up 10-year income and expense projections for each asset, adjusted at the reporting date using a market discount rate. The residual amount at the end of year 10 is calculated by applying an exit yield or cap rate to the projections of net revenues in year 11. The market values thereby obtained are analysed through the calculation and analysis of the capitalisation of return implicit in such values. The projections are designed to reflect the best estimate of future revenues and expenses from the investment properties. Both the exit yield and the discount rate are determined by taking into account Spanish and institutional market conditions. The percentage of real estate investments valued under this assumption as of December 31, 2017 amounted to 51% of the total.

Liquidation Assumption (used for all those properties over which the Group does not have all the units): the method used to calculate the market value of investment property assumes the asset liquidation when the leasing contract expires. It involves drawing up income and expense projections for each asset, adjusted at the reporting date using a market discount rate. The sale price is obtained by comparing the property with other similar properties that have been sold recently or are being offered in the market, after making the pertinent adjustments based on their differentiating factors. The projections are designed to reflect the best estimate of future revenues and expenses from the investment properties. The discount rate is defined by taking into account Spanish and institutional market conditions. The percentage of real estate investments valued under this assumption as of December 31, 2017 amounted to 49% of the total.

In any event, considering the situation of the rental property market, significant differences might arise between the fair value of the Group's investment property and their effective realisable values.

Fees paid by the Group to appraisal companies for appraisals at 31 December 2017 and 2016 were as follows:

	Thousands of euros	
	2017	2016
Appraisal services	131	55
Total	131	55

Disclosure of the fair value of investment property

The detail of assets measured at fair value by their level in the fair value hierarchy is as follows:

2017

	Thousands of euros			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements	2,106,079	-	-	2,106,079
<i>Investment property</i>				
Housing	2,106,079	-	-	2,106,079
Total assets measured at fair value on a recurring basis	2,106,079	-	-	2,106,079

2016

	Thousands of euros			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements	912,304	-	-	912,304
<i>Investment property</i>				
Housing	912,304	-	-	912,304
Total assets measured at fair value on a recurring basis	912,304	-	-	912,304

There were no transfers of assets between the different levels during 2017 or 2016.

The detail of the gross surface area at 31 December 2017 and 2016 is as follows:

31 December 2017	Square meters							% occupancy	
	Gross leasable area								
	Madrid Autonomous Community	Catalonia	Castilla y León	Galicia	Andalusia	Valencia Autonomous Community	Rest of Spain		
Investment property	457,302	36,764	32,516	54,612	4,700	47,571	198,576	832,042	89%
% weight	54.96%	4.42%	3.91%	6.56%	0.56%	5.72%	23.87%		

31 December 2016	Square meters								% occupancy
	Gross leasable area								
	Madrid Autonomous Community	Catalonia	Castilla y León	Galicia	Andalusia	Valencia Autonomous Community	Rest of Spain	Total	
Investment property	237,782	10,196	20,284	-	-	32,600	109,229	410,090	91%
% weight	57.98%	2.49%	4.95%	0.00%	0.00%	7.95%	26.63%		

The main assumptions used to calculate the fair value of investment property were as follows:

2017

Autonomous Communities	Discount rate (%)	Exit Yield (%)	Average market rent (€/ sqm/ month)	Average sale price (€/ sqm)
Madrid	6.29	4.51	11.82	3,115
Catalonia	5.97	4.59	11.70	3,176
Galicia	6.89	5.17	5.71	1,959
Remaining autonomous communities	6.75	5.16	7.41	1,868
Total	6.29	4.62	9.89	2,666

The effect of a change of 25, 50 or 100 basis points in the required capitalisation rate, under both assumptions profitability and liquidation, calculated as rent divided by the market value of the assets, on investment property in consolidated assets and in the consolidated income statement, would be as follows:

	Thousands of euros					
	31.12.2017					
	Assets			Consolidated net profit/(loss)		
	0.25%	0.50%	1%	0.25%	0.50%	1%
One-quarter of one point increase in the rate of return	(25,886)	(51,043)	(100,200)	(25,886)	(51,043)	(100,200)
One-quarter of one point decrease in the rate of return	26,456	53,516	109,475	26,456	53,516	109,475

The effect of the change of 1%, 5% and 10% in the rent considered, under both assumptions profitability and liquidation, has the following impact on consolidated assets and on the consolidated income statement with respect to investment property:

	Thousands of euros					
	31.12.2017					
	Assets			Consolidated net profit/(loss)		
	1%	5%	10%	1%	5%	10%
Increase of 10% in market rent	10,266	51,001	102,199	10,266	51,001	102,199
Decrease of 10% in market rent	(10,732)	(53,795)	(108,407)	(10,732)	(53,795)	(108,407)

The effect of the variation of a 25 and 50 basis points in the Exit Yield, under both assumptions profitability and liquidation, calculated as the result of dividing the net operating income of the last year of the period analyzed between the estimated exit value, has the following impact on consolidated assets and on the consolidated income with respect to investment property:

	Thousands of euros			
	31.12.2017			
	Assets		Consolidated net profit/(loss)	
	0.25%	0.50%	0.25%	0.50%
Increase in the Exit Yield	(48,944)	(91,959)	(48,944)	(91,959)
Decrease in the Exit Yield	56,221	121,553	56,221	121,553

The effect of the variation of 1%, 5% and 10% in the sale price considered, both in the assumption based on liquidation, has the following impact on the consolidated asset and on the consolidated profit and loss account, with respect to the real estate investments, would be the following:

	Thousands of euros					
	31.12.2017					
	Assets			Consolidated net profit/(loss)		
	1%	5%	10%	1%	5%	10%
Increase in sale price	9,424	47,43	94,796	9,424	47,143	94,796
Decrease in sale price	(9,436)	(47,153)	(94,451)	(9,436)	(47,153)	(94,451)

8. Concession arrangements, collection rights

The detail of and changes in this heading in 2017 and 2016 were as follows:

2017

	Thousands of euros				
	31.12.2016	Business combination (Note 3)	Revaluation	Proceeds	31.12.2017
Cost:					
Concession arrangements, collection rights	3,587	2,966	416	(2,231)	4,738
Concession arrangements, collection rights	3,587	2,966	416	(2,231)	4,738

2016

	Thousands of euros			
	Business integration	Revaluation	Proceeds	31.12.2016
Cost:				
Concession arrangements, collection rights	4,151	(211)	(353)	3,587
Concession arrangements, collection rights	4,151	(211)	(353)	3,587

At 31 December 2016, the Parent recognised the concession arrangements for the "Campo de Tiro" housing complexes in Leganés and "Usera", both in Madrid, under this heading in the consolidated statement of financial position.

In September 2017, the Group included concession arrangements totalling 2,966 thousand euros, as a result of the business combination with Acciona Real Estate S.L. (see Note 3).

The Group classified the consideration received from the aforementioned concession arrangements as a financial asset, since the consideration received consisted of an unconditional right to receive cash, enabling the recovery of the investment made, obtaining a reasonable margin. Accordingly, the Group does not assume the demand risk in the concession arrangement.

The main characteristics of these concession arrangements are as follows:

- Campo de Tiro (Leganés)

Through a public deed signed on 20 April 1998, the Madrid Housing Institute (IVIMA) granted the Parent an onerous surface right with a 20-year duration, from its filing in the register (22 May 1998) on a lot located in the municipality of Leganés (Madrid). Such surface right consists of the construction, within the first three years of the concession, of 80 subsidised homes under a special lease arrangement, together with 103 parking spaces associated therewith, and the subsequent lease to IVIMA to operate such subsidised homes under a lease system, in line with the requirements set forth in the award specifications.

On 28 December 2000, in compliance with that set forth in the specifications and in the surface right award deed, a lease arrangement was entered into with IVIMA, which will end on 22 May 2018, the same date on

which the surface right concession ends and the building reverts to the IVIMA without the payment of indemnity and without any option to renew or terminate. The lease arrangement stipulates a rent payment of 36 thousand euros per month, as the surface right award price, to be updated annually in line with the corresponding CPI.

- Usera (Madrid)

Through a public deed signed on 8 March 2000, the Madrid Housing Institute (IVIMA) granted the Parent an onerous surface right with a 20-year duration, from its filing in the register (1 June 2000), on a lot located in the municipality of Madrid, in the district of Usera. Such surface right consists of the construction, within the first three years of the concession, of 148 subsidised homes under a lease arrangement, together with 148 parking spaces associated therewith, and the subsequent lease to IVIMA itself to operate them in line with the requirements set forth in the award specifications.

On 8 July 2003, in compliance with that set forth in the specifications and in the surface right award deed, a lease arrangement was entered into with IVIMA, which will end on 31 May 2020, the same date on which the surface right concession ends and the building reverts to the IVIMA without the payment of indemnity and without any option to renew or terminate. The lease arrangement stipulates a rent payment of 59 thousand euros per month, as the surface right award price, to be updated annually in line with the corresponding CPI.

- Torrejón de Ardoz (Madrid)

Through a public deed signed on 9 July 1998, the Madrid Housing Institute (IVIMA) granted to the subsidiary Valdgrand, S.A.U. an onerous surface right with a 20-year duration, from its filing in the register (9 September 1998), on a lot located in the municipality of Torrejón de Ardoz, Madrid province. Such surface right consists of the construction, within the first three years of the concession, of 64 subsidised homes under a lease arrangement, together with 64 parking spaces associated therewith, and the subsequent lease to IVIMA itself to operate them in line with the requirements set forth in the award specifications.

On 20 June 2001, in compliance with that set forth in the specifications and in the surface right award deed, a lease arrangement was entered into with IVIMA, which will end on 9 September 2018, the same date on which the surface right concession ends and the building reverts to the IVIMA without the payment of indemnity and without any option to renew or terminate. The lease arrangement stipulates a rent payment of 28 thousand euros per month, as the surface right award price, to be updated annually in line with the corresponding CPI.

- Ventilla (Madrid)

Through a public deed signed on 22 July 2005, the Madrid Housing Institute (IVIMA) granted the subsidiary Valdgrand, S.A.U. an onerous surface right with a 20-year duration, from its filing in the register (28 July 2003) on a lot located in the municipality of Ventilla (Madrid). Such surface right consists of the construction, within the first three years of the concession, of 90 subsidised homes under a lease arrangement, together with 90 parking spaces associated therewith, and the subsequent lease to IVIMA itself to operate them in line with the requirements set forth in the award specifications.

On 20 October 2005, in compliance with that set forth in the specifications and in the surface right award deed, a lease arrangement was entered into with IVIMA, which will end on 28 July 2023, the same date on which the surface right concession ends and the building reverts to the IVIMA without the payment of indemnity and without any option to renew or terminate. The lease arrangement stipulates a rent payment of 48 thousand euros per month, as the surface right award price, to be updated annually in line with the corresponding CPI.

The common characteristics of these arrangements is that all the expenses and charges on the property will be met by the lessor (the Group), except the Property Tax, which will be assumed by the lessee.

The lessor will also meet the costs of repairing, conserving and maintaining the property, its facilities and services, and binds itself to provide the IVIMA with an annual report on the procedures performed and having carried out the works at the request of the latter.

In 2017, no significant procedures were conducted at any of the properties, worthy of mention in these notes to the financial statements, and no processes of importance are planned in the future either.

The significant aggregates included in the Economic-Financial Plan for the concession arrangements are rental income, expenses, the estimated Consumer Price Index and the market return for each of the projects.

In 2017, the concession arrangements were not subject to any contractual amendments.

The fair value of the concession arrangements was calculated by independent valuers 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 methodology used to calculate the fair value of the assets is detailed in Note 7.

The recoverable value of concession agreements of the Group at 31 December 2017, calculated on the basis of appraisals carried out by Savills Consultores Inmobiliarios, S.A., not related to the Group, totalled 4,738 thousand euros (3,484 thousand euros at 31 December 2016). According to this independent expert appraisal, no assets existed with a recoverable value lower than their carrying amount.

At 31 December 2017, the Parent had a mortgage guarantee on the Campo de Tiro housing complex owned by the Company, located in Leganés (together with other properties within "Investment Property"), to secure a loan drawn down in the amount of 21,016 thousand euros (see Note 14). The mortgage agreement allows for the possibility of releasing the mortgage on one or more of the properties under it.

9. Leases

a) Operating leases - Lessee

At the end of 2017 and 2016, the Group had agreed with the lessors the following minimum lease payments in accordance with the leases in force, without factoring in common expenses, future rises in the CPI or future contractually agreed rent increases (in euros):

Operating leases Minimum lease payments	Nominal value	
	2017	2016
Less than one year	158	132
Between 1-5 years	169	254
Total	327	386

Since 1 February 2017, the Parent has entered into an arrangement for the lease of its new offices at Paseo de la Castellana 257, 2ª planta, Madrid, for a three-year duration. The annual rent to be paid by the Parent amounts to 157 thousand euros.

The total lease expense accrued by the Group in 2017 amounted to 216 thousand euros and was recorded under the "Other operating expenses" caption in the accompanying consolidated income statement for 2017 (see Note 19.3). The main expense included in this figure related to the lease of the offices at Paseo Castellana 257, planta 2ª (place of its registered office).

b) Operating leases - Lessor

At the end of 2017 and 2016, the Group had agreed with the lessees the following minimum lease payments in accordance with the leases in force, excluding common expenses, future increases in the CPI or contractually agreed rent increases:

Minimum lease payments	Thousands of euros	
	2017	2016
Less than one year	58,094	9,686
Between 1-5 years	72,733	28,400
More than five years	5,887	11,454
Total	136,714	49,540

The main difference between the figures for 2017 and 2016 related to the non-monetary contributions by the financial institutions and Acciona Real Estate, S.L., which were made on 7 March 2017 and 14 September 2017, respectively, together with the rest of acquisitions of investment property in 2017 (see Note 7).

The amount of operating leases and the passing on of common expenses recognised respectively as revenue in 2017 and 2016 was as follows:

	Thousands of euros	
	2017	2016
Rental income accrued (Note 19.1)	52,439	9,035
Passing on of common expenses (Note 19.3)	2,319	509
Total	54,758	9,544

The passing on of expenses to lessees in 2017 and 2016 is recognised in the accompanying consolidated income statement as a reduction of "Other operating expenses".

10. Other non-current financial assets

This heading in the consolidated statement of financial position includes mainly the deposits provided as a guarantee, amounting to 5,074 thousand euros and 3,814 thousand euros, respectively.

11. Trade and other receivables

The breakdown of "Trade and other receivables" at 31 December 2017 and 2016 includes the following items:

	Thousands of euros	
	2017	2016
Trade receivables for sales and services	702	1,723
Sundry debtors	632	1,541
Impairment of trade receivables for sales and services	-	(813)
Current tax assets	13	-
Other receivables from public authorities	385	1
	1,432	2,452

In general, these receivables do not accrue any interest and they are mainly collected in cash.

The Group periodically analyses the risk of insolvency of its accounts receivable by updating the related provision for impairment losses. The Parent's directors consider that the carrying amount of trade and other receivables approximates their fair value.

The change in provisions for impairment and non-payment in 2017 and 2016 was as follows:

	Thousands of Euros
Business integration	(748)
Charges	(65)
Applications	-
Balance at 31 December 2016	(813)
Provisions (Note 19.3)	(300)
Applications	813
Balance at 31 December 2017	(300)

Most of the impaired accounts receivable are over 6 months past due. Accounts receivable not covered by provisions are immaterial. The average period for collection is approximately seven days.

	Thousands of euros
	2017
Trade receivables for sales and services	702
Total revenue	52,439
Average collection period	6.5 days

12. Cash and cash equivalents

"Cash and cash equivalents" includes the Group's cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Current accounts accrue interest at the market rate for this type of account.

13. Equity and shareholders' equity

13.1 Share capital and issue premium

The detail of and changes in equity are presented in the consolidated statement of changes in equity.

Share capital

At 31 December 2015, the Parent's share capital comprised 102,696,108 shares with a par value of 1 euro each, all of the same class and which were fully subscribed and paid.

On 21 June 2016, the Boards of Directors of Merlin Properties SOCIMI, S.A. and Testa Inmuebles en Renta SOCIMI, S.A. (Sole Shareholder of the Company at that date) approved the merger by absorption project, which involved the integration of Testa Inmuebles en Renta SOCIMI, S.A. into Merlin Properties SOCIMI, S.A., through the transfer en bloc of the assets of the former to the latter. On 6 September 2016, the shareholders at the General Meeting of Testa Inmuebles en Renta, SOCIMI, S.A. approved the merger, which was filed at the Mercantile Registry on 14 October 2016.

This operation meant that Testa Inmuebles en Renta SOCIMI, S.A., whose direct ownership interest in the Company amounted to 100%, ceased to be its Sole Shareholder, with it becoming Merlin Properties, SOCIMI, S.A.

On 24 June 2016, the Sole Shareholder approved the transformation of the Parent into a public limited company and the redenomination of shares, from 102,696,108 shares of 1 euro par value each to 10,269,610,800 shares of 0.01 euros par value each. It performed a capital increase with a non-monetary contribution of property, issuing 2,238,551,888 new shares of 0.01 euros par value each and, lastly, it performed a capital reduction through the redemption of 10,906,847,110 shares. Consequently, the Parent's share capital consisted of 1,601,315,578 shares with a par value of 0.01 euros each.

As mentioned in Note 3, on 15 September 2016, the General Shareholders' Meetings of the Parent and of Metrovacesa, S.A. approved a capital increase through the issue of 3,075,278,154 shares of 0.01 euros par value each, with an issue premium of 13,3656923984379 cents per share issued. This increase was subscribed in full by the shareholders of Metrovacesa, S.A., through the contribution of its residential rental asset business. As a result of this transaction, the shareholders of Metrovacesa, S.A. acquired 65.67% of the Parent's share capital.

Following the aforementioned operations, at 31 December 2016, the share capital of Testa Residencial, SOCIMI, S.A. amounted to 46,765,937 euros, and was represented by 4,676,593,732 fully subscribed and paid ordinary shares of 0.01 euros par value each. All shares are of the same class and confer holders the same rights.

As mentioned in Note 3, on 30 January 2017, the Extraordinary General Shareholders' Meeting of Testa Residencial, SOCIMI, S.A. approved a non-monetary capital increase, through the contribution of residential investment property, mainly from the Group's shareholder financial institutions, Banco Santander, S.A. Banco Bilbao Vizcaya Argentaria S.A., Banco Popular, S.A. and nine other minority shareholders. As consideration for the investment property received, the Parent performed a capital increase in the amount of 659,723 thousand euros, through the issuance of 5,221,817,098 new shares of 0.01 euros par value each (52,218 thousand euros), with an issue premium of 0,11633977722 euros per share issued (607,505 thousand euros).

Also on 23 May 2017, the Extraordinary General Shareholders' Meeting of Testa Residencial, SOCIMI, S.A. approved a monetary capital increase by the shareholder Banco Santander, amounting to 30 thousand euros, through the issue of 237,407 new shares of the Parent of 0.01 euros par value each (2 thousand euros), with an issue premium of 0,11636527145 euros per share issued (28 thousand euros).

Later, as mentioned in Note 3, on 20 September 2017 the Extraordinary General Shareholders' Meeting of the Parent adopted a non-monetary capital increase in the form of contribution by Acciona Real Estate, S.L.U. of its residential rentals business, consisting of its shares in Compañía Urbanizadora del Coto, S.L., 100% of shares in Valgrand 6, S.A.U. and houses located in Lérida. As consideration for the investment property received, the Parent performed a capital increase in the amount of 335,824 thousand euros, through the issuance of 2,645,404,051 new shares of 0.01 euros par value each (26,454 thousand euros), with an issue premium of 0,116946213484044 euros per share issued (309,370 thousand euros).

At the same time, also on 20 September 2017, the Extraordinary General Shareholders' Meeting of Testa Residencial, SOCIMI, S.A. approved a non-monetary capital increase through the contribution of residential investment property, mainly from Real Estate Deal II, S.A. (Company in liquidation). As consideration for the investment property received, the Parent performed a capital increase in the amount of 5,367 thousand euros, through the issuance of 42,274,627 new shares of the Parent of 0.01 euros par value each (423 thousand euros), with an issue premium of 0,116946213484044 euros per share issued (4,944 thousand euros).

The significant shareholders of the Parent, with direct or indirect ownership interests at 31 December 2017 and 2016, were as follows:

2017

	Shares			% of share capital
	Direct	Indirect	Total	
Banco Santander, S.A.	1,733,179,100	3,143,288,876	4,876,467,976	38.74%
Merlin Properties SOCIMI S.A	1,601,315,578	-	1,601,315,578	12.72%
Banco Bilbao Vizcaya Argentaria, S.A.	488,962,085	2,850,130,717	3,339,092,800	26.53%
Acciona Real Estate S.L.	2,645,404,051	-	2,645,404,051	21.02%
Other	12,046,508	-	81,771,881	0.99%

2016

	Shares			% of share capital
	Direct	Indirect	Total	
Banco Santander, S.A.	1,614,458,396	546,399,222	2,160,857,618	46.21%
Merlin Properties SOCIMI S.A	1,601,315,578	-	1,601,315,578	34.24%
Banco Bilbao Vizcaya Argentaria, S.A.	488,962,085	142,114,953	631,077,038	13.49%
Banco Popular, S.A.	281,078,284	-	281,078,284	6.01%
Other	2,265,214	-	2,265,214	0.05%

Issue premium

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the issue premium to increase capital and places no specific restrictions as to its use.

This reserve is unrestricted so long as its allocation does not lower the equity of the Parent to below the amount of share capital.

13.2 Reserves

Details of reserves at 31 December 2017 and 2016 are as follows:

	Thousands of euros	
	2017	2016
Legal reserve	3,203	3,203
Other reserves	(162,073)	189,092
Reserves in consolidated companies	25,824	-
Total reserves	(133,046)	192,295

Legal reserve

Pursuant to article 274 of the Consolidated Spanish Limited Liability Companies Law, 10% of profit in each year must be transferred to the legal reserve until the balance of this reserve is at least 20% of share capital.

The legal reserve may not be distributed and if it is used to offset losses -only insofar as no other sufficient reserves are available for this purpose- it must be replenished with future profits.

At 31 December 2017 and 2016, the Group had not attained the minimum level of the legal reserve stipulated in the Consolidated Spanish Limited Liability Companies Law.

Pursuant to the Real Estate Investment Trusts Law 11/2009, the legal reserve of the companies that have opted to avail themselves of the special tax regime established in the aforementioned law, must not exceed 20% of the share capital.

As mentioned in Notes 3 and 15, under the terms of the shareholder agreement Acciona Real Estate, S.L. is entitled to redeem the shares subscribed for in the context of the contribution referred to above in this Note if the Group fails to list its securities on a stock exchange before 21 September 2022. If that situation arises, the Parent must pay in exchange for the redeemed shares an amount equal to the percentage that those shares represent of the Group's EPRA NAV at the date of the amortization. Payment would be made, at the Parent's election, in cash or by means of transferring the net assets received in the context of the contribution made for the capital increase subscribed for by Acciona Real Estate, S.L. this period, and if this were the case, the difference with respect to the Group's EPRA NAV at the date of the amortisation would be settled in more or less, in cash.

In accordance with IAS 32, the Group has recognised that commitment to Acciona Real Estate, S.L. as a financial liability equal to the present value of the redeemable amount, which at the date of execution of the shareholder agreement was 349,761 thousand euros, recorded in "Reserves" of the consolidated statement of financial position for 2017.

The Directors of the Parent believe it is highly probable the Group will list its shares on the stock exchange before 21 September 2022, and Acciona Real Estate S.L.'s option to redeem its shares will lapse, such that the liability will immediately become equity.

Reserves in consolidated companies

The detail of the breakdown of reserves at consolidated companies at 31 December 2017 and 2016 was as follows:	Thousands of euros	
	2017	2016
Testa Alquileres Urbanos S.L.U. (*)	(66)	-
Testa Residencial, SOCIMI, S.A.	25,890	-
	25,824	-

(*) Called Metrovacesa Alquileres Urbanos S.L.U. in 2016

13.3 Non-controlling interests

The changes in "Non-controlling Interests" in 2017 and 2016, together with the gains/(losses) attributed to non-controlling interests, were as follows:

	Thousands of euros	
	2017	2016
Opening balance	-	-
Minority interests arising from business combinations (Note 3)	732	-
Profit/(loss) attributable to non-controlling interests	40	-
Closing balance	772	-

The detail of "Non-controlling interests" in the consolidated statement of financial position at 31 December 2017 relates to the minority shareholders (0,345%) of Compañía Urbanizadora del Coto, S.L.

13.4 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern, while providing returns to shareholders and stakeholders and maintaining an optimum capital structure to reduce the cost of capital.

In line with the practices of other groups present in the sector, the Group controls its capital structure through the leverage ratio. The ratio is calculated as net debt divided by total capital. Net debt is determined as the sum of financial liabilities, less cash and cash equivalents. Total capital is calculated as the sum of net equity and net debt.

	Thousands of euros	
	2017	2016
Total bank borrowings	473,204	361,486
Less- Cash and cash equivalents and Other current financial assets	(71,158)	(28,801)
Net debt	402,046	332,685
Equity	1,394,524	674,385
Total	1,796,450	1,007,070
Debt/Equity ratio	23.38%	33.03%

13.5 Earnings per share

Basic

Basic earnings per share are calculated by dividing profit or loss for the year attributable to the Parent's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

The detail of the calculation of basic earnings per share is as follows:

	2017	2016
Profit/(loss) for the period attributable to: holders of equity instruments of the Parent (thousands of euros)	70,146	24,781
Weighted average number of shares outstanding (in thousands)	9,265,054	4,676,594
Basic earnings per share (euros)	0,0076	0,0053

The average number of ordinary shares outstanding is calculated as follows:

	Number of shares	
	2017	2016
Ordinary shares at beginning of the period	4,676,593,732	-
Capital increases	7,909,733,011	4,676,593,732
Average effect of outstanding shares	(3,321,272,506)	-
Weighted average number of ordinary shares outstanding	9,265,054,237	4,676,593,732

Diluted

Diluted earnings per share are calculated by adjusting the profit or loss for the year attributable to holders of equity

instruments of the Parent and the weighted average number of outstanding ordinary shares by all the dilutive effects inherent to the potential ordinary shares, i.e. as if all the potential dilutive ordinary shares had been converted.

14. Non-current and current financial liabilities

Bank borrowings

The detail of "Non-current and current financial liabilities" at 31 December 2017 and 2016 is as follows:

	Thousands of euros	
	2017	2016
Non-current:		
<i>Measured at amortised cost</i>		
Syndicated loan	350,000	250,000
Syndicated loan arrangement costs	(1,819)	(287)
Total syndicated loan	348,181	249,713
Mortgage loans	123,224	98,462
Arrangement expenses	(860)	(264)
Total other loans	122,364	98,198
<i>At fair value</i>		
Derivative financial instruments	120	940
Total measured at fair value	120	940
Total non-current	470,665	348,851
Current:		
<i>Measured at amortised cost</i>		
Mortgage loans	2,238	11,998
Debt interest	301	635
Total amortised cost	2,539	12,633
Total current	2,539	12,633

For financial liabilities measured at amortised cost, the difference between the carrying amount and the fair value is not significant.

Loans

At 31 December 2017 and 2016, the details of loans were as follows:

31 December 2017

	Thousands of euros				
	Bank borrowings				
	Limit	Debt arrangement expenses	31.12.2017		Current interest
			Non-current	Current	
Syndicated loan	800,000	(1,819)	350,000	-	191
Mortgage loans	125,462	(860)	123,224	2,238	110
Total	925,462	(2,679)	473,224	2,238	301

31 December 2016

	Thousands of euros				
	Bank borrowings				
	Limit	Debt arrangement expenses	31.12.2016		Current interest
			Non-current	Current	
Syndicated loan	250,000	-	250,000	-	592
Mortgage loans	110,460	(551)	98,462	11,998	43
Total	360,460	(551)	348,462	11,998	635

Syndicated loan

Parent Company syndicated loan

On 20 December 2017, the Parent entered into a syndicated loan without a mortgage guarantee, in the amount of 800 million euros. Such loan was earmarked to repay the Parent's former syndicated loan, amounting to 250 million euros, set to mature in May 2018, and to repay the syndicated mortgage loan taken out by the subsidiary Compañía Urbanizadora del Coto S.L., totalling 77 million euros, set to mature in September 2022. The main terms and conditions of this syndicated loan not secured by a mortgage are as follows:

- This loan comprises three tranches:
 - a) The first tranche consists of a bank loan with a corporate guarantee of 350 million euros, maturing in December 2022, with an interest rate tied to the Euribor + 1.2 basis points. The total amount of the first tranche is repaid on maturity and was earmarked in full to repay the syndicated loans of the Parent and of Compañía Urbanizadora del Coto S.L. At 31 December 2017, the first tranche was fully drawn down.
 - b) The second tranche consists of a bridge loan for 350 million euros, maturing in December 2019, with an initial cost of Euribor + 0.5 basis points. At 31 December 2017, the Parent had not drawn down this tranche.

- c) The third tranche is a revolving credit line, amounting to 100 million euros. This credit facility matures in December 2022, and accrues an interest rate of Euribor + 1.2 basis points, tied to the company's rating. This financing will be used for general corporate purposes. At 31 December 2017, the Parent had not made any drawdowns on this credit facility.

This bank financing with a corporate guarantee has reporting obligation commitments with respect to the individual and consolidated financial statements and to budgets. Also, on a quarterly basis, the Group must comply with certain hedging ratio commitments such as Loan to Value, the proportion existing between Group revenue and interest on the debt ("ICR"). At 31 December 2017, the Group complies with the financial ratios established in this agreement, and the directors consider that they will also be complied with at the end of 2018 and in the coming years.

Mortgage loans

At 31 December 2017, the Group had taken out the following mortgage loans:

Financial entity	Thousands of euros				Mortgage guarantee
	Original Loan	Long-Term	Short-Term	Interest	
Banco Santander, S.A.	22,016	20,016	1,000	28	Property of Osuna, Campo de Tiro and Benquerencia-Toledo
ING Direct, NV.	63,200	63,200	-	7	Property of Pavones, Valdebernardo, Alcorcón, Plaza De Castilla
CaixaBank	17,000	16,660	340	74	Mercedes Formica, Ronda de Segovia and José M. Perdis properties
Bilbao Bizkaia Kutxa	24,695	23,348	898	1	Property Bentaberri
Total	126,911	123,224	2,238	110	

ING's mortgage loan has reporting obligation commitments with respect to the Group's individual and consolidated financial statements, such as the Loan to Value. At 31 December 2017, the Group complies with the financial ratios established in this agreement, and the directors consider that they will also be complied with at the end of 2018 and in the coming years.

Accrued unpaid interest relating to mortgage loans at 31 December 2017 amounted to 110 thousand euros, and the final average interest rate on these mortgage loans in 2017 was 1.32%.

Loan repayment dates

Details of the Group's loan repayment dates at 31 December 2017 are as follows:

	Thousands of euros		
	Mortgage Loan	Syndicated Loan	Total
2018	2,238	-	2,238
2019	2,238	-	2,238
2020	2,238	-	2,238
2021	2,238	-	2,238
2022	80,738	350,000	430,738
More than 5 years	35,772	-	35,772
	125,462	350,000	475,462

The balances of bank borrowings only reflect the amount drawn down.

At 31 December 2017 and 2016, the Group did not have any borrowings in currencies other than the euro.

The finance cost in 2017 for interest on syndicated loans, mortgage loans and financial instruments amounted to 6,090 thousand euros and was included in the accompanying 2017 consolidated income statement.

Details of debt arrangement expenses were recognised reducing the balance of "Bank borrowings" at 31 December 2017. In 2017, the Group recognised 4,371 thousand euros under "Finance costs" of the consolidated income statement for 2017 in respect of debt.

Of the total amount, 2,280 thousand euros related to arrangement fees and commissions recognised in respect of cancellation of the loans.

In 2017, the contractual conditions for the payment of the outstanding loans and all other contractual terms and conditions had been met.

Derivatives

The interest rate derivatives entered into by the Company and in force on 31 December 2017, with their fair values at that date, are as follows (in thousands of euros):

2017

company	Thousands of euros					
	Maturity	Interest rate	Notional	Fair value ex credit risk	Liabilities	Income statement Expense/(Income)
ING	30/09/2020	0.30%	37,240	418	414	(18)
HSBC France	14/12/2022	0.14%	56,000	(42)	(52)	(42)
MedioBanca	14/12/2022	0.14%	112,000	(108)	(128)	(107)
Goldman Sachs	14/12/2022	0.14%	56,000	(45)	(55)	(45)
Citibank Europe	14/12/2022	0.14%	56,000	(49)	(59)	(50)
			317,240	174	120	(262)

The fair values of interest rate derivatives are determined by the Group using a discounted cash flow analysis based on the rates implied on the yield curve of the euro according to market conditions at the measurement date.

These financial instruments are classified as level 2 according to the calculation hierarchy under IFRS 7.

As at 31 December 2017, the Group was a party to interest rate swap derivatives having a fair value of 418 thousand euros in respect of which the Group has opted for cash flow hedging accounting as permitted by IAS 39 Financial Instruments: Recognition and Measurement. The Group has adequately designated the hedging relationships in which these derivatives are instruments hedging the borrowing used by the Group, neutralising changes in the cash flows for interest payments by setting a variable rate to be paid thereon. These hedging relationships are, cumulatively, highly effective prospectively and retrospectively, starting at their designation date. The rest of derivatives have not been designated as accounting hedges.

At 31 December 2017, the Group recognised in equity a total of 336 thousand euros (489 thousand euros in 2016) in respect of the change in fair value of the derivatives satisfying these requirements, while recognising under "Change in fair value of financial instruments" of the consolidated income statement 262 thousand euros as a result of derivative financial instruments that do not satisfy the hedging requirements. In addition, in 2017 finance costs were incurred and contracts were settled for an amount of 219 thousand euros.

As a result of the Parent's application of 22 September 2016 to come within the special tax statutory scheme for SOCIMIs (Spanish real estate investment trusts) under the Ley 11/2009 (REITs Act), effective from 1 January 2016 onwards, the Company has recognised in equity the fair values of derivatives having no tax effect.

The Group has made an adjustment to the its valuation techniques in order to calculate fair value of its derivatives. The Company includes a bilateral credit risk adjustment in order to reflect both its own and counterparty risk in the fair value of the derivatives. The Company applied the discounted cash flow method considering a discount rate affected by the inherent risk of these financial instruments.

To determine the fair value of derivatives, the Group used valuation techniques widely accepted in the market, based on the total expected exposure (which includes current and potential exposure), adjusted by the probability of default and the potential loss given default in the event of breach of the contract. DVA (Debt Value Adjustment) or CVA (Credit Value Adjustment) was thus estimated.

The current and expected future exposure of the derivatives are estimated on the basis of simulating movement scenarios for a range of market variables, such as yield curves, exchange rates and volatilities under market conditions at the measurement date.

In addition, to adjust credit risk account was taken of the Group's net exposure to each counterparty where the financial derivatives engaged with that counterparty come under a financial transaction master agreement that allows netting. For counterparties with available credit information, credit spreads are obtained from Credit Default Swaps (CDS) quoted in the market and/or their ratings. Where credit information is unavailable, the Group uses

comparable entities as a reference. The Group has engaged the services of Chatham Financial Europe Ltd to measure the fair value of derivatives.

At 31 December 2017, the effect on consolidated liabilities, equity and pre-tax profit of the change of 50 basis points in the estimated credit risk rate was as follows:

2017

Scenario	Thousands of euros		
	Liabilities	Equity	Consolidated profit before tax
Credit risk increase of 0.5%	(7,214)	-	(7,214)
Credit risk decrease of 0.5%	7,433	-	7,433

A reconciliation is set out below of the carrying amount of liabilities arising from financing activities in 2017, with separate treatment of changes that generate cash flows and changes that do not:

	Thousands of euros						
	01.01.2017	Addition due to business combinations	Cash flows	Change in fair value - Income statement	Change in fair value - Equity	Arrangement expense allocation	31.12.2017
Syndicated loan	249,713	-	10,100	-	-	(1,341)	348,372
Mortgage loans	110,831	75,947	(62,102)	-	-	36	124,712
Derivatives	940	-	(405)	(262)	153	(306)	120
Total liabilities from financing activities	361,484	75,947	37,493	(262)	153	(4,271)	473,204

15. Other current and non-current liabilities

The detail of these headings at 31 December 2017 and 2016 is as follows:

	Thousands of euros	
	2017	2016
<i>Non-current</i>		
Other financial liabilities	355,565	-
Provisions	320	1,410
Guarantees and deposits received	15,002	7,248
<i>Current</i>		
Provisions	1,019	1
Total	371,906	8,659

Other financial liabilities - Non-current

As mentioned in Note 3, the Parent must, at the election of Acciona Real Estate, S.L., carry out a capital reduction if the Parent's securities are not listed on the stock exchange before 21 September 2022. The redemption of shares will only concern those subscribed for by Acciona Real Estate, S.L. in 2017, and the amount of the capital reduction will be determined on the basis of the Group's EPRA NAV at the date. Payment for the share redemption would be made, at the Parent's election, in cash or by means of returning the net assets received in the context of the contribution made by Acciona Real Estate, S.L. in 2017, more (or less) in cash, the difference with respect to the Group's EPRA NAV at the amortization date.

Under prevailing accounting rules and standards, the Group has recognised a non-current liability arising from the commitment referred to in the foregoing paragraph. Under IAS 32, the liability was initially recognised at the present value of the estimated net value of the Group's assets, and was updated at 31 December 2017 based on the change in fair value.

The expense for change in fair value accrued in 2017 amounted to 5,804 thousand euros and was recorded under the "Change in fair value of financial instruments" caption in the accompanying consolidated income statement for 2017.

To calculate fair value, the Group estimated current EPRA NAV based on the Group's equity and added by unrealised gains on projects and concession agreements marked to market. The assumptions used to calculate the fair value of Group assets is set out in Note 7.

The Directors of the Parent believe it is highly probable the Group will list its shares on the stock exchange before 21 September 2022, and Acciona Real Estate S.L.'s option to redeem its shares will lapse, such that the liability will immediately become equity.

16. Trade and other payables

The breakdown of "Trade and other payables" at 31 December 2017 and 2016 is as follows:

	Thousands of euros	
	2017	2016
Trade and other payables:		
Payables to suppliers	811	1,576
Trade payables to related parties (Note 20.2)	2,357	2,745
Other payables	567	627
Personnel remuneration payable	591	1,008
Current tax liabilities (Note 17)	523	107
Other accounts payables to public authorities (Note 17)	243	317
Total	5,092	6,380

The Parent's directors consider that the carrying amount of trade payables approximates their fair value.

Information on the average payment period to suppliers. Final provision two of Law 31/2014, of 3 December

Below follows the disclosures required in additional provision three of Law 15/2010 of 5 July (amended by final provision two of Law 31/2014, of 3 December) prepared in accordance with ICAC resolution of 29 January 2016 on information to be disclosed in the notes to consolidated financial statements on the average payment period in commercial transactions.

	2017	2016
	Days	
Average period of payment to suppliers	15	17
Ratio of transactions paid	17	16
Ratio of transactions pending payment	1	22
	Thousands of euros	
Total payments made	17,929	1,449
Total payments outstanding	2,542	4,773

The figures shown in the foregoing table in relation to payments to suppliers relate to suppliers that because of their nature are trade creditors for the supply of goods and services and, therefore, they include the figures relating to "Trade and other payables" under "Current liabilities" in the accompanying consolidated statement of financial position.

"Average period of payment to suppliers" is understood to be the time of payment or delay in payment of the trade payables. This "Average period for payment to suppliers" is calculated by multiplying the paid operations ratio by the total amount of payments made plus the pending payment operations ratio by the total amount of pending payments, and by dividing the sum of these amounts by the total amount of the payments made and the payments pending.

The ratio of transactions settled is calculated as the quotient whose numerator is the result of the sum of the products of multiplying the amounts paid by the number of days of payment (the number of calendar days between the end of the maximum payment period and the date of effective payment of the transaction) and whose denominator is the total amount of the payments made.

Also, the ratio of transactions not yet settled is calculated as the quotient whose numerator is the result of the sum of the products of multiplying the amount of the transactions not yet settled by the number of days in which payment has not been made (the number of calendar days between the end of the maximum payment period and the reporting date) and whose denominator is the total amount of the outstanding payments.

The maximum payment period applicable to the Company in 2016 under Law 3/2004, of 29 December, on combating late payment in commercial transactions, and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, was 60 days until the publication of Law 11/2013, of 26 July, and 30 days since publication of the aforementioned law (unless the conditions mentioned in this law are met, in which case the maximum payment period may be increased to 60 days).

17. Public authorities and tax matters

The detail of the balances with the tax authorities at 31 December 2017 and 2016 was as follows:

	Thousands of euros	
	2017	2016
Receivables:		
Non-current-		
Deferred tax assets	11,083	296
	11,083	296
Payables:		
Non-current-		
Deferred tax liabilities	105,953	60,649
Current-		
VAT payable	111	187
IRPF payable	61	67
Social security payable	54	63
Current tax liabilities	523	107
Other taxes payable	17	-
	106,719	61,073

17.1 Reconciliation of accounting profit/(loss) to taxable income

At 31 December 2017 and 2016, the taxable profit/(tax loss) was calculated on the basis of the accounting profit/(loss) for the year, plus the effect of the change in the fair value of investment property and the temporary differences as a result of the existing restrictions.

The reconciliation of accounting profit/(loss), taxable profit/(tax loss) for corporate income tax purposes and the tax receivable or payable in this regard at 31 December 2017 and 2016 is as follows (in thousands of euros):

	Thousands of euros	
	2017	2016
Accounting profit before tax	70,482	25,022
Permanent differences:		
- Capital increase costs	(2,115)	-
- Change in value of investment property	(65,209)	(23,953)
- Other	(268)	-
Temporary differences		
- Deferred tax for reinvesting extraordinary gains, Art. 21 Law 43/1995	680	-
Tax base general taxation rate	2,104	952
Tax base accounting REITs	1,466	117
REIT system payment (0%)	-	-
General system payment (25%)	526	241
Total payment	526	241
Withholdings and payments on account	(3)	(134)
Income tax payable	523	107

Capital increase costs are deemed to be permanent differences since the applicable tax rate is 0%.

17.2 Reconciliation of accounting profit/(loss) and income tax expense

	Thousands of euros	
	2017	2016
Accounting profit/(loss) before tax	70,482	25,022
Permanent differences:		
- Capital increase costs	(2,115)	-
- Change in value of investment property	(65,209)	(23,953)
- Other	(268)	-
REIT system accounting profit/(loss)	1,466	117
General system accounting profit/(loss)	2,104	952
REIT system net payment (0%)	-	-
General system net payment (25%)	526	(238)
Adjustment due to sale of assets (reversal of liability due to RD)	(81)	(3)
Other adjustments	(149)	-
Income tax benefit/(expense)	(296)	(241)
Current tax	(552)	238
Deferred tax	256	3

17.3 Recognised deferred tax assets

The movement in this heading in the consolidated statement of financial position in 2017, broken down by the most important line items, was as follows:

	Thousands of euros				
	31.12.2016	Business combinations (Note 3)	Additions	Disposals	31.12.17
Deferred tax assets:					
Tax loss carryforwards	-	10,706	3,701	-	10,706
Other	296	-	82	(1)	377
	296	10,706	3,783	(1)	11,083

The changes in deferred tax assets in 2017 relate to the inclusion of tax assets from Compañía Urbanizadora del Coto S.L. (see Note 3).

These deferred tax assets have been recognised in the consolidated statement of financial position at 31 December 2017 as the Group's directors consider that, based on the best estimates of future results for the Group, including certain tax planning measures, it is likely that these assets will be recovered.

17.4 Deferred tax liabilities

Deferred tax liabilities were recognised at 31 December 2017 and 2016, mainly arising from the business combinations described in Note 3, and they originated from the differences existing between the accounting values and the tax values of the assets received from these transactions.

The variation in deferred tax liabilities in 2017 and 2016 is as follows:

	Thousands of euros
Initial balance business integrations	60,652
Derecognitions due to sales of assets	(3)
Total deferred tax liabilities at 31 December 2016	60,649
Addition due to business combinations (Note 3)	45,560
Deferred tax for reinvesting extraordinary gains, Art. 21 Law 43/1995	(175)
Derecognitions due to sale of assets	(81)
Total deferred tax liabilities at 31 December 2017	105,953

17.4 Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute of limitations period has expired. At 31 December 2017, the Parent and its subsidiaries had 2013 to 2016 open for review for corporate income tax and 2014 to 2017 open for review for the other taxes applicable to them. The Parent's directors consider that the returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to transactions, such liabilities as might arise would not have a material effect on the consolidated financial statements. Also, Law 34/2015, of 21 September, partially amending General Taxation Law 58/2003, of 17 December, establishes the right of the tax authorities to initiate a review and investigation procedure of the tax losses offset or carried forward or tax credits taken or carried forward, which will become statute barred after ten years from the day on which the regulatory period ends established for filing the tax return or self-assessment relating to the year or the tax period in which the right to offset the tax loss or to apply the tax credits arose.

18. Information requirements arising from REIT status under Law 11/2009, amended by Law 16/2012

Information requirements derived from the REIT status of the Parent and its subsidiaries are included in the related notes to the individual financial statements.

19. Revenue and expenses

19.1. Ordinary income

The distribution of revenue in 2017 and 2016 was as follows:

	Thousands of euros	
	2017	2016
Rent revenues	52,439	9,035
Income from provision of services	504	551
Total revenue	52,943	9,586

a) Geographical segment reporting

The breakdown of rent revenue by asset type and geographic market in 2017 and 2016 was as follows:

2017

Autonomous Communities	Thousands of euros	%
Madrid	31,645	60.3%
Basque Country	3,985	7.6%
Catalonia	2,511	4.8%
Valencia	2,150	4.1%
Balearic Islands	2,129	4.1%
Navarre	1,996	3.8%
Castilla La Mancha	1,866	3.6%
Other	6,157	11.7%
Total	52,439	100%

2016

Autonomous Communities	Thousands of euros	%
Madrid	5,660	62.6%
Basque Country	1,067	11.8%
Catalonia	175	1.9%
Valencia	417	4.6%
Balearic Islands	500	5.5%
Navarre	487	5.4%
Castilla La Mancha	467	5.2%
Other	261	2.9%
Total	9,035	100%

19.2 Personnel expenses

The breakdown of personnel expenses in 2017 and 2016 was as follows:

	Thousands of euros	
	2017	2016
Wages, salaries and similar	(2,568)	(1,871)
Other employee welfare costs and taxes	(646)	(129)
Total personal expenses	(3,214)	(2,000)

19.3 Other operating expenses

Details of this income statement heading in 2017 and 2016 were as follows:

	Thousands of euros	
	2017	2016
Non-recoverable expenses of the leased properties	13,675	2,393
Overheads		
Independent professional services	8,440	1,753
Office Rental	216	28
Taxes other than income tax	1,933	416
Other expenses	459	78
Impairment of trade receivables (Note 11)	300	65
Total other operating expenses	25.023	4,733

"Independent professional services" includes mainly the annual expense accrued for the advisory, planning and strategic management services provided by Merlin Properties SOCIMI, S.A. (see Note 20.1).

19.4 Finance expenses

The detail of the balance of this caption in the 2017 and 2016 consolidated income statements is as follows:

	Thousands of euros	
	2017	2016
Interest on loans and other	(11,338)	(1,141)
Finance costs	(11,338)	(1,141)

"Interest on loans and others" includes amortisation of the borrowing arrangement fees of 4,371 thousand euros incurred in 2017, using the effective interest method (see Note 14). Of this amount, 2,280 thousand euros related to contractual fees for cancellation of loans, as disclosed in Note 14.

19.5 Contribution to consolidated profit (loss)

The contribution of each Group company included in the scope of consolidation to results for 2017 was as follows:

Company	Thousands of euros	
	2017	2016
Full consolidation:		
Testa Residencial, SOCIMI, S.A.	61,792	24,827
Testa Alquileres Urbanos, S.L.U. (*)	(186)	(46)
Compañía Urbanizadora del Coto, S.L.	8,054	-
Valgrand 6, S.A.U.	526	-
Total	70,186	24,781

(*) Called Metrovacesa Alquileres Urbanos S.L.U. in 2016

20. Related party balances and transactions

20.1 Related party transactions

Details of transactions with related parties in 2017 and 2016 were as follows:

2017

	Thousands of euros			
	Other operating expenses	Finance expenses	Rent Revenue	Income from provision of services
Merlin Properties SOCIMI, S.A.	9,317		-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	1,162	-	120
Banco Santander, S.A.	-	4,937	161	384
TOTAL	9,317	6,099	161	504

2016

	Thousands of euros		
	Other operating expenses	Financial expenses	Income from provision of services
Merlin Properties SOCIMI, S.A.	1,813	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	121	169
Banco Santander, S.A.	-	630	549
TOTAL	1,813	751	718

In fiscal year 2016, the Parent entered into a management services agreement with Merlin Properties SOCIMI, S.A. to provide advisory, planning and strategic services for businesses, assets and liabilities, in exchange for annual remuneration of 7.7 million euros plus value-added tax (updatable once a year to 1.5%). The agreement lasts 30 years and, in the event of early termination by the Parent or, as a result of certain situations, Merlin Properties SOCIMI, S.A. will be entitled to receive consideration equivalent to the current value of the remuneration of the management agreement for all the years in which such agreement is effective.

On 3 January 2018, the Parent notified Merlin Properties SOCIMI, S.A. of termination of the service agreement with effect from 19 January 2018 (see Note 26).

20.2 Related parties balances

The Group performs all its operations with related parties at market values. Additionally, the transfer prices are adequately supported, this is why the Parent Company's Directors consider that there are no significant risks from this aspect that could give rise to significant liabilities in the future. The detail of the balances with related parties at 31 December 2017 and 2016 is as follows:

31 December 2017

	Thousands of euros				
	Current accounts and other payables to Group companies and associates	Payables to suppliers	Bank borrowings	Other financial liabilities (Notes 3 and 15)	Cash and cash equivalents
Merlin Properties SOCIMI, S.A.	-	2,357	-	-	-
Acciona Real Estate, S.L. (Note 3)	5,400	-	-	355,565	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	-	25
Banco Santander, S.A.	-	-	56,016	-	55,405
TOTAL	5,400	2,357	56,016	355,565	55,430

31 December 2016

	Thousands of euros			
	Current accounts and other payables to Group companies and associates	Payables to suppliers	Bank borrowings	Cash and cash equivalents
Merlin Properties SOCIMI, S.A.	203	2,745	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	51,371	889
Banco Popular, S.A.	-	-	-	13
Banco Santander, S.A.	-	-	221,268	25,005
TOTAL	203	2,745	272,639	25,907

20.3 Remuneration of directors and senior management

Remuneration paid in 2017 and 2016 to members of the Board of Directors and senior management of Testa Residencial, SOCIMI, S.A., by item, was as follows (in thousands of euros):

31 December 2017

	Salaries	Attendance fees	Other items	Pension plans	Insurance premiums (1)	Termination benefits	Share-based payments	Remuneration of individuals representing the Company (2)
Board of Directors and Senior management	738	-	-	-	7	-	-	-

31 December 2016

	Salaries	Attendance fees	Other items	Pension plans	Insurance premiums (1)	Termination benefits	Share-based payments	Remuneration of individuals representing the Company (2)
Board of Directors and Senior management	178	-	-	-	2	-	-	-

(1) Includes the amount paid for the civil liability insurance premium for damages caused by acts or omissions by directors, totalling 19 thousand euros.

(2) Includes the remuneration paid to individuals representing the Company on the Board of Directors of other entities.

At 31 December 2017 and 2016, the Parent had not granted any advances or loans to Board members or senior management.

At the date of authorising these consolidated financial statements for issue, the Parent's directors were represented by 9 men and 1 woman (at 31 December 2016, they were represented by 10 men).

20.4 Information regarding conflicts of interest involving directors

In the year 2017 the members of the Board of Directors of Testa Residencial SOCIMI, S.A. have not communicated to the other members of the Board any situation of conflict, direct or indirect, that they or persons related to them, as defined in the Law on Corporations, may have with the interest of the Parent Company.

21. Other disclosures

21.1 Employees

The average number of employees at the Group in 2017, by professional category, is as follows:

	Number of employees	
	2017	2016
Executive directors	1	1
Senior Management	4	4
Other employees	75	45
Total	80	50

The breakdown of the Group, by gender, at 31 December 2017 and 2016, was as follows:

	31.12.2017		31.12.2016	
	Female	Male	Female	Male
Executive directors	-	1	-	1
Senior Management	1	3	1	3
Other employees	41	34	30	15
Total	42	38	31	19

In 2017 and 2016, no Group employee had a degree of disability equal to or greater than 33%.

22. Auditors' fees

Fees for audit services for the different companies in the Testa Residencial, SOCIMI, S.A. and Subsidiaries Group, provided by the main auditor Deloitte, S.L. and companies related thereto and by other auditors, were as follows:

Description	Thousands of euros	
	2017	2016
Audit services	165,000	75,000
Other audit related services:		
Other assurance services	27,000	-
Total audit and related services	192,000	75,000
Other services	-	-
Tax advisory services	-	-
Total other services	-	-
Total	192,000	75,000

23. Environmental disclosures

Given the Group's business, it has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial position and the results of its operations.

Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

24. Information on financial risk management

Financial risk factors

The Group's activities expose it to various types of financial risk: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the uncertainty of financial markets and aims to minimise the adverse effects of such risks on the financial profitability of the Group.

Risk management is undertaken by the Group's senior management in accordance with the policies approved by the Board of Directors. Senior management identifies, evaluates and mitigates financial risks in close collaboration with the Group's operating units. The Board of Directors issues the written global risk management policies and the policies for specific areas, such as those for covering market risk, interest rate risk and liquidity risk, and for investing cash surpluses.

Market risk

In light of current conditions in the property sector, the Group has established specific measures that it plans to adopt to minimise the impact of these factors on its financial position.

The application of these measures is dependent on the outcome of the sensitivity analyses that the Company performs periodically. These analyses take the following factors into consideration:

- The economic environment in which the Group performs its activity: The design of various economic scenarios with different key variables that can affect the Group (e.g. interest rates, share prices, occupancy rates of investment property, etc.). The identification of variables that are interconnected and their degree of connection.

- Time frame within which the assessment is made: The time frame for the analysis and the potential deviations shall be taken into account.

Credit risk

Credit risk is defined as the risk of financial loss to which the Group is exposed if a customer or counterparty defaults on its contractual obligations.

As a general rule, the Group places cash and cash equivalents with financial institutions with high credit ratings.

The Group has policies in place to limit customer credit risk and it manages its exposure to credit recovery risk as part of its normal activities through, among others, guarantees and securities.

The Group has formal procedures in place to detect impairment of trade receivables. By means of these procedures and individual analyses by business areas, delays in payment can be detected and methods for estimating the impairment loss can be established.

Below are the estimated maturities of the Group's financial assets on the consolidated statement of financial position at 31 December 2017 and 2016. The attached tables break down the maturities of the financial assets at 31 December 2017 and 2016:

2017

	Thousands of euros				
	Less than 3 months	More than 3 and less than 6 months	More than 6 months and less than 1 year	Over 1 year	Total
Guarantees and deposits	-	-	-	5,074	5,074
Trade and other receivables	1,432	-	-	-	1,432
Other current financial assets	-	-	3	-	3
Cash and cash equivalents	71,158	-	-	-	71,158
Total	72,590	-	3	5,074	77,667

2016

	Thousands of euros				
	Less than 3 months	More than 3 and less than 6 months	More than 6 months and less than 1 year	Over 1 year	Total
Loans to third parties	-	-	-	-	-
Guarantees and deposits	-	-	-	3,814	3,814
Trade and other receivables	2,452	-	-	2,452	2,452
Other current financial assets	-	24	-	-	24
Cash and cash equivalents	28,801	-	-	-	28,801
Total	31,253	24	-	6,266	35,091

Cash and cash equivalents

The Group has cash and cash equivalents amounting to 71,158 thousand euros, which represent its maximum exposure to the risks of these assets.

Cash and cash equivalents are deposited with banks and financial institutions.

Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Group applies a prudent liquidity risk management policy, based on having sufficient liquidity to meet its obligations when they fall due, in both normal and stressed conditions, without incurring unacceptable losses or placing the Group's reputation at risk.

Itemised below is the Group's exposure to liquidity risk at 31 December 2017 and 2016. The tables break down financial liabilities by remaining contractual term to maturity.

2017

	Thousands of euros				
	Less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	Total
Financial liabilities to banks	301	1,000	1,238	470,665	473,204
Other non-current liabilities – security and deposits	-	-	-	15,002	15,002
Other non-current liabilities	-	-	-	355,565	355,565
Trade and other payables (excluding public authorities)	4,326	-	-	-	4,326
Total	113,190	1,000	1,238	841,232	956,660

2016

	Thousands of euros				
	Less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	Total
Financial liabilities to banks	10,735	1,000	898	348,851	361,484
Other non-current liabilities – security and deposits	-	-	-	7,248	7,248
Trade and other payables (excluding public authorities)	5,956	-	-	-	5,956
Total	16,691	1,000	898	356,099	374,688

Solvency risk

At 31 December 2017, the Group's net bank borrowings came to 401,926 thousand euros as shown in the table below:

	Thousands of euros
Gross bank borrowings:	
Syndicated loan	348,181
Mortgage loans	124,602
Accrued interest	301
Cash and cash equivalents	(71,158)
Net bank borrowings	401,926

Foreign currency risk

The Group is not exposed to exchange rate fluctuations as all its transactions are carried out in its functional currency.

Tax risk

As mentioned in Note 1, the Parent will adhere to the special tax regime for REITs. Pursuant to Article 6 of Law 11/2009 of 26 October 2009, amended by Law 16/2012 of 27 December, companies that have opted for the special tax regime are required to distribute profit for the year to the shareholders in the form of dividends, once all obligations under commercial law have been met. The distribution must be approved within six months of each year-end and paid in the month following the date of the distribution resolution.

In the opinion of the directors of the Parent, at 31 December 2017 the Parent was compliant with the requirements under the SOCIMI (Spanish REIT) statutory scheme, except the requirement relating to listing its shares on the stock exchange, the deadline for which is 22 September 2018.

At its meeting of 30 November 2017, the Board of the Parent greenlighted the start of the process for listing the Parent Company's shares on Spain's "continuous market" in the coming months. For this reason, having regard to the support from shareholders, the directors believe that the listing requirement will be satisfied before the deadline, and are confident that the Group will remain within the SOCIMI scheme.

25. Third-party guarantees and other contingent liabilities

At 31 December 2017 and 2016, the Group had provided guarantees to third parties for an amount of 280 thousand euros and 265 thousand euros, respectively. Likewise, the only significant contingent liability was described in Note 20.1.

26. Events after the reporting period

Termination of management service agreement with Merlin Properties SOCIMI, S.A.

According to the decision taken in the Parent's Board of Directors' meeting of 22 December 2016, and once the term has elapsed and the conditions have been met as established in the contract among the Parent and Merlin Properties SOCIMI, S.A., in conformity with the provisions of clause 9.3 of the said contract, the Parent notified Merlin Properties SOCIMI, S.A. the dismissal of the contract effective 19 January 2018.

After confirming the accounting treatment for this termination with the Regulator, the impact of the dismissal will imply that the Group will register an expense of 108,563 thousand euros (which includes the corresponding portion of non-refundable VAT) in its consolidated financial statements for the year 2018, and a liability with Merlin Properties SOCIMI, S.A. for the same amount. Such liability may be settled in cash or shares of the Parent at its discretion.

In this connection, on 26 March 2018, the General Shareholders' Meeting of Testa Residencial SOCIMI, S.A. has approved a capital increase for compensation amounting to 89,721 thousand euros, through the issuance of 640,693,342 new shares of 0.01 euros of par value each, with an issue premium of 0,130037800013383 euros per

share issued (83,314 miles of euros). This capital increase has been fully subscribed by Merlin Properties SOCIMI, S.A. The remaining amount due that amounted to 18,840 thousand euros and corresponded to VAT has been settled in cash.

Long-term management incentive plan and exit bonus

On 26 March 2018, the General Shareholders' Meeting has approved the proposal for the listing and admission to trading of the shares of the Parent in the Spanish Stock Exchange. In this context, the Board of Directors, on the same date, has approved a long-term incentive plan for certain members of management. This plan will have a five year term and will be vested upon compliance with certain financial ratios associated with the value of the shares once admitted to trading. The maximum amount that the participants would receive under the plan would approximate to 1.8 million euros per year. The plan is to be settled in cash and shares in an equal proportion.

Additionally, the Board of Directors has also approved, in the same day, a shared-based payment, share-settled, plan for key management and other employees in the case of an initial public offering of shares. The number of shares to be received by key management members is linked to the completion of a period of service and the prices of the shares at the admission date. The number of shares for the other employees is fixed and is only linked to the completion of a period of service.

The Group will account for both plans in accordance with applicable accounting regulations.

Acquisition of new housing portfolio

On 23 March 2018, the Group has entered into a sale-purchase agreement with a third-party for the acquisition of 1,458 apartments for an approximate amount of 228 million euros. According with the terms of the contract, it is subject to certain conditions precedent, common for this type of transactions, which are expected to be met in the following months. This acquisition will be financed by means of a drawdown under the syndicated loan contracted in December 2017

27. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 2-1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Appendix I

Subsidiaries as at 31 December 2017

Company	Registered offices / activity	Equity interest	Thousands of euros							Consolidation method	Auditor	
			Share capital	Profit/(loss)		Other Equity	Total Equity	Dividends received	Carrying amount			
				Operating	Net				Cost			Impairment
Compañía Urbanizadora del Coto, S.L.	The acquisition and development of property for subsequent rental / Paseo de la Castellana 257, Madrid	99.66%	15,315	19,005	18,386	192,356	226,057	-	290,040	-	Deloitte, S.L	
Testa Alquileres Urbanos S.L.U.	The acquisition and development of property for subsequent rental / Paseo de la Castellana 257, Madrid	100%	55,087	1,541	1,155	7,625	63,867	-	132,137	-	Deloitte; S.L.	
Valgrand 6, S.A.U.	The acquisition and development of property for subsequent rental / Paseo de la Castellana 257, Madrid	100%	10,013	248	580	411	11,004	-	12,266	(1,201)	N/A	

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

TESTA RESIDENCIAL SOCIMI, S.A. and Subsidiaries

Consolidated Directors' Report for
the year ended 31 December 2017

1. ORGANISATIONAL STRUCTURE AND FUNCTIONING

Strategy

The group Testa Residencial SOCIMI, S.A. (hereinafter the "Testa Group" or the "Group") is a group whose main objective is to generate sustainable shareholder return through the acquisition, focused management and selective rotation of residential real estate assets in moderate risk segments.

Composition

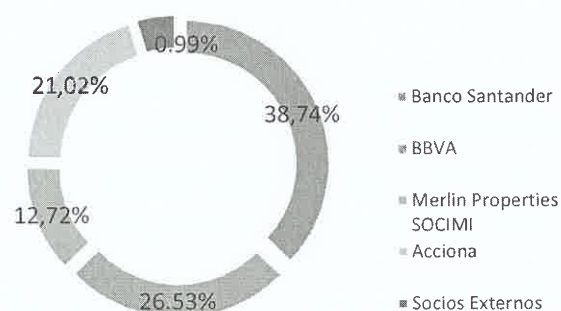
The description of the internal organisational structure may be summarised as follows:

- Board of Directors: comprising 10 directors.
- Audit Committee (AC)

The members of the Board of Directors and their categories are stated below:

- Mr. Ignacio Moreno Martínez (non-executive Chairman) Independent.
- Mr. Miguel Oñate Rino (Executive Director).
- D. Fernando Rodríguez-Avial Llardent. Proprietary.
- Mr. Isabel Antunez Cid. Proprietary.
- Mr. Carlos Manzano Cuesta. Proprietary.
- Mr. Jaime Rodríguez Andrade. Proprietary.
- Mr. Cesáreo Rey-Baltar Oramas. Proprietary.
- Mr. José María Xercavins Lluch. Report
- Mr. Antonio Hernández Mancha. Independent.
- Mr. Javier Alarcó Canosa. Independent.
- Mr. Lucas Osorio Iturmendi (non-director Secretary)

Capital structure at 31 December 2017



2. HIGHLIGHTS

ASSET CONTRIBUTION/ACQUISITION

The main contributions and purchases of assets in 2017 and 2016 were the following:

- In September 2016, the business combination of the residential real estate businesses of Metrovacesa (valued at 460 million euros) and Testa Residencial (valued at 186 million euros) was commercially formalised.
- In March 2017, investment property worth 659,723 thousand euros was added as a result of a non-monetary capital increase with the shareholder financial institutions.
- In September 2017, the Group included investment property relating mainly to homes located in Madrid totalling 413,601 thousand euros, as a result of the business combination with Acciona Real Estate S.L.
- In September and December 2017, the Group's Parent acquired homes in Madrid from third parties totalling 45,217 and 4,140 thousand euros, respectively.

The economic and operational effects of the contributions made in 2017 under the agreements between the parties have had economic effects as of April and October 2017

REFINANCING

- In December 2017, the Parent signed a syndicated loan not secured by a mortgage guarantee in the amount of 800 million euros, of which only 350 million euros had been drawn down at 31 December 2017. This loan was earmarked to repay the Parent's (Testa Residencial SOCIMI, S.A.) former syndicated loan, amounting to 250 million euros, set to mature in May 2018, and to repay the mortgage-secured syndicated loan and associated hedges taken out by the subsidiary Compañía Urbanizadora del Coto S.L. in the amount of 77 and 2 million euros, respectively.

KEY DATA OF PORTFOLIO

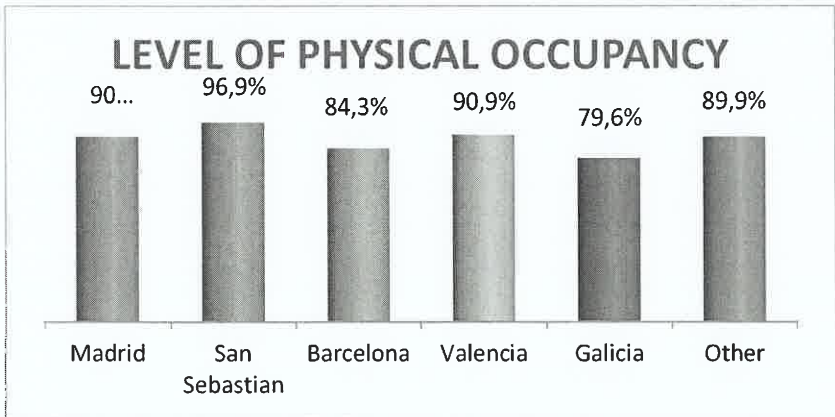
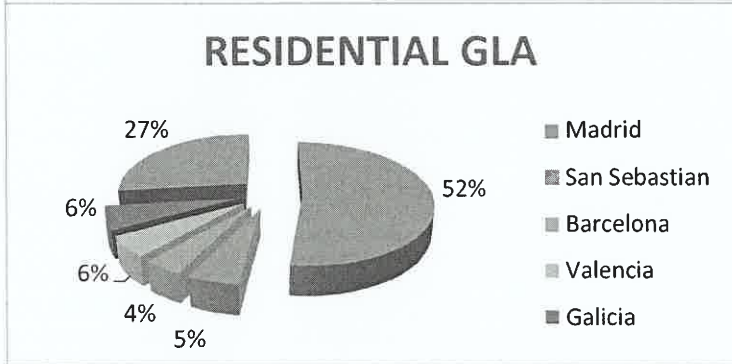
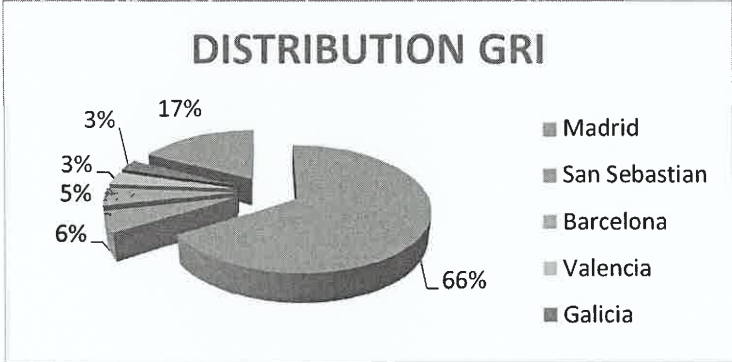
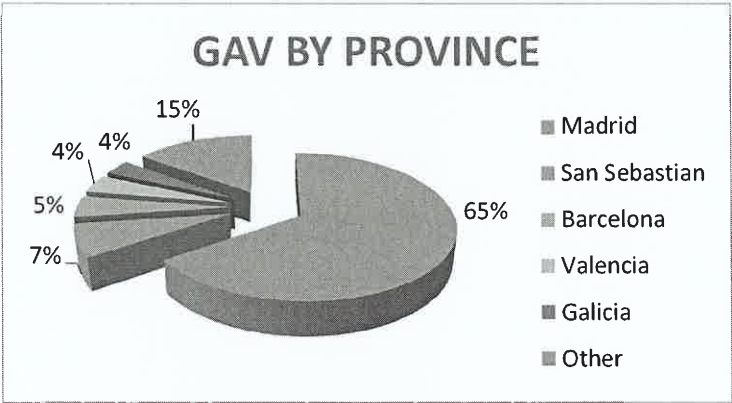
	<u>31/12/2017</u>	<u>31/12/2016</u>
Gross asset value ⁽¹⁾ (thousands of €)	2,275,521	1,078,608
2017 gross rent (thousands of €) ⁽²⁾	72,367	34,301
Gross yield (€ thousand) ⁽³⁾	3.2%	3.2%
Number of apartments (units)	9,244	4,677
Gross rent (€/m ² /month) ⁽⁴⁾	7.5	6.6
Gross rent (€/apartment/month) ⁽⁵⁾	679	618
Total residential G.L.A. (m ²)	837,739	439,765
Occupancy rate of residential portfolio	90%	92%

⁽¹⁾ According to appraisal carried out by Savills at 31 December 2017 and 2016

⁽²⁾ Calculated as gross rent at December 2017 and 2016 multiplied by 12

⁽³⁾ Calculated as gross rent divided by gross value of assets in operation

⁽⁴⁾ Calculated as gross residential rent at 31 December divided by leased building area.



KEY CONSOLIDATED FINANCIAL FIGURES (IFRS)

KEY CONSOLIDATED FINANCIAL FIGURES

(IFRS) (thousands of €)	31/12/2017	31/12/2016
Total income	53,084	9,589
Rental income	52,439	9,035
Net Rent	38,764	6,642
EBITDA	25,147	2,922
Net profit for the year	70,186	24,781
	31/12/2017	31/12/2016
Gross borrowings	473,204	361,484
Net debt	402,046	332,683
Gross asset value (GAV)	2,275,521	1,078,608
Net debt/Gross asset value (GAV)	17.7%	30.8%
Basic earnings per share (€)	0.0076	0.0053
Diluted earnings per share (€)	0.0076	0.0053

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The separate income statement for the period ended 31 December 2017 and 2016 is shown below.

(Thousands of euros)	31/12/2017	31/12/2016
Revenue	52,943	9,586
Rental income	52,439	9,035
Rendered services	504	551
Other operating income	141	3
Other operating income	141	3
Total operating income	53,084	9,589
Asset operation expenses not passed on to tenants	(13,675)	(2,393)
Personnel Expenses	(3,214)	(2,000)
General expenses	(11,048)	(2,274)
Total operating expenses	(27,937)	(6,667)
EBITDA	25,147	2,922
Depreciation	(3,145)	(810)
Impairment loss allowances	(300)	(66)
Gains/(losses) from asset disposals	286	163
EBIT	21,988	2,209
Net financial result	(16,715)	(1,140)
Net gains of investment properties	65,209	23,953
PROFIT/(LOSS) BEFORE TAX	70,482	25,022
Income taxes	(296)	(241)
PROFIT/(LOSS) FOR THE PERIOD	70,186	24,781
Attributable to shareholders of the Parent	70,146	24,781
Attributable to non-controlling interests	40	-
Basic earnings per share (€)	0.0076	0.0053
Diluted earnings per share (€)	0.0076	0.0053

COMPARISON OF INFORMATION

In September 2016, the reverse merger took place between Testa Residencial SOCIMI, S.A. and the residential business of Metrovacesa S.A., whereby the latter was the acquiring entity. As a result, the consolidated income statement for 2016 includes only the period from the date of the combination of the two businesses, three months and 15 days, since the residential business of Metrovacesa did not have separate financial statements, as they were integrated into the financial statements of Metrovacesa, S.A.

Notes to the income statement

Gross rent corresponds to the rent on leases signed with tenants. Net rent does not include re-invoicing of tenants for common expenses, which are shown net under "Asset operation expenses not passed on to tenants".

The performance of Gross Rent in 2017 is positive, mainly as a result of the performance of the average euro price/m², which increased from €6.59 to 7.5/m². The performance of average rent for 2017 and of the occupancy rate is shown below:

	RENTAL INCOME €/M2				
	31/12/2016	31/03/2017	30/06/2017	30/09/2017	31/12/2017
MADRID	8.07	8.26	8.39	9.00	9.19
MÁLAGA	0.00	8.05	7.99	8.17	8.39
ARAGÓN	0.00	8.16	8.20	8.16	8.66
OVIEDO	0.00	4.81	4.94	5.08	5.15
PALMA DE MALLORCA	4.71	5.10	5.21	5.35	5.46
LAS PALMAS DE GRAN CANARIA	0.00	4.74	4.86	5.03	5.28
TOLEDO	3.62	3.72	3.81	4.07	4.29
VALLADOLID	4.36	4.35	4.55	4.60	4.66
BARCELONA	6.11	8.87	9.01	8.66	8.98
VALENCIA	4.53	4.70	4.73	4.88	5.06
GALICIA	0.00	4.24	4.25	4.34	4.40
PAMPLONA	4.81	4.90	4.94	4.98	5.01
SAN SEBASTIÁN	7.09	7.13	7.16	7.16	7.20
TOTAL RESIDENTIAL	6.59	6.66	6.75	7.35	7.50

Occupancy in the last six months of 2017 is positive, increasing from 88% to 90%.

General expenses include expenses from the provision of advisory, planning and strategic management services with Merlin Properties SOCIMI, S.A in exchange for an annual economic consideration of 7.7 million euros plus value-added tax. On 3 January 2018, the Parent notified Merlin Properties SOCIMI, S.A. of its withdrawal from the management agreement effective 19 January 2018.

The net financial results include the extraordinary amortisation of the debt arrangement expenses amounting to 2,280 thousand euros, which correspond to the formalisation expenses charged for the cancellation of the loans cancelled due to the refinancing carried out in December 2017.

Investment property is stated at fair value. This value is determined by reference to the appraisals carried out by independent experts.

On 22 September 2016, the General Meeting resolved that Testa Residencial Socimi, S.A. would adhere to the tax regime for Spanish listed real estate investment trusts (SOCIMIs) beginning with the fiscal year starting on 1 January 2016.

As a result, accumulated tax expense at 31 December 2017 and 2016 comes mainly from companies not subject in the period to the SOCIMI tax regime and from gains from asset disposals.

In 2017, the Testa Group generated revenue of 52,943 thousand euros, EBITDA of 25,147 thousand euros and net consolidated profit of 70,186 thousand euros mainly from operating income and net gains on investment property.

Gross operating margins and EBITDA, as well as FFO1 and AFFOR for the years ended 31 December 2017 and 2016 are shown below:

(Thousands of euros)	31/12/2017	31/12/2016
EBITDA	25,147	2,922
Income from services rendered and other	(645)	(554)
Non-recurring adjustments ⁽¹⁾	9,317	1,812
Adjusted EBITDA	33,819	4,180
%	64.5%	46.3%
Interest paid/received	(11,619)	(1,140)
Income tax paid	(114)	(133)
FFO1	22,086	2,907
Investments in improvements ⁽²⁾	(3,339)	(1,000)
AFFO	18,747	1,907

(1) Corresponds to service agreement of Merlin Properties, Socimi, S.A. cancelled on 19 January 2018.

(2) Corresponds to improvements in assets. Does not include acquisition costs of assets.

CONSOLIDATED BALANCE SHEET

ASSETS	31/12/2017	31/12/2016	EQUITY AND LIABILITIES	31/12/2017	31/12/2016
NON-CURRENT ASSETS	2,283,486	1,079,412	EQUITY	1,394,524	674,385
Intangible assets	156,442	159,410	Share capital	125,863	46,766
Property, plant and equipment	70	-	Issue premium	1,332,879	411,032
Investment property	2,106,079	912,304	Reserves	(134,800)	192,295
Non-current financial assets	9,812	7,401	Consolidated profit for the year	70,146	24,781
Deferred tax assets	11,083	296	Valuation adjustments	(336)	(489)
			Non-controlling interests	772	-
			NON-CURRENT LIABILITIES	947,505	418,158
			Long-term provisions	320	1,410
			Non-current bank borrowings	470,665	348,851
			Other non-current financial liabilities	370,567	7,248
			Deferred tax liabilities	105,953	60,649
CURRENT ASSETS	72,593	32,146	CURRENT LIABILITIES	14,050	19,014
			Short-term provisions	1,019	-
Trade and other receivables	1,432	2,452	Current bank borrowings	2,539	12,633
Other current financial assets	3	227	Current payables to Group companies	5,400	-
Other current assets	-	666	Trade and other payables	5,092	6,381
Cash and cash equivalents.	71,158	28,801	Other current liabilities	-	-
TOTAL ASSETS	2,356,079	1,111,557	TOTAL EQUITY AND LIABILITIES	2,356,079	1,111,557

Notes to the consolidated balance sheet

The main contributions and purchases of assets in 2017 were the following:

- In March 2017, investment property worth 659,723 thousand euros was added as a result of a non-monetary capital increase with the shareholder financial institutions.
- In September 2017, the Group included investment property relating mainly to homes located in Madrid totalling 413,601 thousand euros, as a result of the business combination with Acciona Real Estate S.L.
- In September and December 2017, the Group's Parent acquired homes in Madrid from third parties totalling 45,217 and 4,140 thousand euros, respectively.

The effect of the above transactions and the main effects of the changes in the balance sheet compared to 31 December 2017 are as follows:

- Increase in equity in the amount of 998.8 million euros.
- Increase in investment property in the amount of 1,122.7 million euros.

- As a result of the incorporation of the real estate assets of Acciona Real Estate, S.L., "bank borrowings" and "cash and cash equivalents" were also contributed in the approximate amount of 77.9 and 39.7 million euros, respectively, which is the main reason for the increase in financial debt and cash during the period.
- The shareholder agreement signed with Acciona Real Estate, S.L. stipulates that if the Group has not listed its shares in the stock exchange by 21 September 2022, Acciona Real Estate S.L. would be entitled to make a demand to the Group, within six months following this date, for the redemption of the shares subscribed in the contribution of September 2017. In exchange, Acciona Real Estate, S.L. would receive an amount equal to the percentage of its shares of the Group's EPRA NAV at the redemption date. The obligation would be settled, at the discretion of the Parent, either in cash or via delivery of the assets received.

This right of Acciona Real Estate, S.L. represents for the Group a potential repurchase obligation of the shares issued in the capital increase underwritten by Acciona Real Estate, S.L. Consequently, and in accordance with IAS 32, the company has recognised a non-current liability at fair value. This liability is recognised under "Other non-current financial liabilities" of the balance sheet, in the amount of 355,565 thousand euros.

The Directors of the Parent consider it highly probable that the Group will list its shares in the stock exchange prior to 21 September 2022. Therefore, the option to redeem the shares of Acciona Real Estate, S.L. will expire, and the liability will immediately become equity.

Following the asset contributions mentioned above, the composition of the Parent's share capital at 31 December 2017 is as follows:

Name/Company name	Sharesareholding	
SANTANDER GROUP	4,876,467,976	38.74%
BBVA GROUP	3,381,367,429	26.87%
MERLIN PROPERTIES, SOCIMI, S.A.	1,601,315,578	12.72%
ACCIONA REAL ESTATE S.A.U.	2,645,404,051	21.02%
NON-CONTROLLING INTERESTS	81,771,881	0.65%
TOTAL TESTA RESIDENCIAL SHARES	12,586,326,915	100.00%

Following capitalisation due to cancellation of the service agreement of Merlin Properties Socimi, S.A., the shareholder structure of the Parent will be as follows:

Name/Company name	Sharesareholding	
SANTANDER GROUP	4,876,467,976	36.87%
BBVA GROUP	3,381,367,429	25.56%
MERLIN PROPERTIES, SOCIMI, S.A.	2,242,008,920	16.95%
ACCIONA REAL ESTATE S.A.U.	2,645,404,051	20.00%
NON-CONTROLLING INTERESTS	81,771,881	0.62%
TOTAL TESTA RESIDENCIAL SHARES	13,227,020,257	100.00%

The fair value of the Testa Group's property asset portfolio amounts to 2,275,333 thousand euros and corresponds to appraisals obtained by Savills at 31 December 2017. Unrealised gains not recognised in the consolidated balance sheet at 31 December 2017 amount to 8,361 thousand euros.

GEOGRAPHICAL BREAKDOWN OF PREMIUM AND CORE MARKETS

The main indicators in the distribution of the 10 core markets in which the Group operates are as follows:

Geographical areas	Total Portfolio				Residential portfolio			
	GAV (millions of €)	GAV (%)	Gross rent (mill. €) ⁽¹⁾	Gross Yield (%) ⁽²⁾	Number of Apartments	GAV (€/m ²) ⁽³⁾	Passing rent (€/m ² /month) ⁽³⁾⁽⁴⁾	Occupancy (%) ⁽⁵⁾
Premium and Core Markets								
Madrid ^{(6)(*)}	1,450	63.7	44.0	3.0	4,431	3,520	9.6	89.0
San Sebastian ^(**)	165	7.2	4.0	2.4	510	3,482	7.2	97.0
Barcelona ^(*)	94	4.1	2.9	3.1	319	3,553	10.3	90.0
Las Palmas de Gran Canaria ^(*)	67	2.9	2.5	3.8	455	1,468	5.3	96.0
Palma de Mallorca ^(*)	62	2.7	2.4	3.9	273	1,616	5.5	96.0
Valencia ^(**)	56	2.5	1.5	2.6	225	2,161	5.1	94.0
Toledo ^(**)	54	2.4	2.1	3.9	449	1,203	4.3	91.0
Pamplona ^(*)	46	2.0	2.1	4.5	401	1,271	5.0	96.0
Valladolid ^(**)	42	1.9	1.6	3.7	448	1,297	4.7	86.0
Oviedo ^(**)	35	1.5	0.9	2.7	217	1,727	5.1	75.0
Top 10 markets	2,071	91.0	64.0	3.1	7,728	2,839	7.9	91.0
Other locations⁽⁷⁾	84	3.7	2.6	3.0	499	1,816	5.4	87.0
Total premium and core markets	2,155	94.7	66.6	3.1	8,227	2,777	7.8	90.0
Non-core assets	121	5.3	5.7	4.7	1,017	1,042	5.4	82.0
Total portfolio	2,275	100.0	72.2	3.2	9,244	2,539	7.5	90.0

(*) Premium market; (**) Core market

(1) Gross rent at 31 December 2017 multiplied by 12.

(2) Gross rent at 31 December 2017 divided by GAV.

(3) GAV divided by building area at 31 December 2017. The building area includes the useful area of the apartments plus the percentage of common areas (stairs, entrance, corridors, etc.) but does not include other common areas attached to the buildings.

(4) Gross rent divided by building area at 31 December 2017. The building area includes the useful area of the apartments plus the percentage of common areas (stairs, entrance, corridors, etc.) but does not include other common areas attached to the buildings.

(5) Leased building area divided by total building area at 31 December 2017. The building area includes the useful area of the apartments plus the percentage of common areas (stairs, entrance, corridors, etc.) but does not include other common areas attached to the buildings.

(6) Referring to the Madrid Autonomous Region.

(7) Includes Alicante, A Coruña, Vigo and Málaga.

Geographical areas	Residential portfolio							
	L-f-I Rent				L-f-I Occupancy			
	30/06/2017	31/12/2017	30/09/2017	31/12/2017	30/06/2017	31/12/2017	30/09/2017	31/12/2017
Premium and Core Markets								
Madrid ^{(6)(*)}	8.7	9.1	9.3	9.6	87.9%	88.7%	89.2%	89.3%
San Sebastian ^(**)	7.2	7.2	7.2	7.2	98.6%	96.9%	96.6%	96.9%
Barcelona ^(*)	9.7	10.2	9.9	10.3	89.4%	90.3%	92.6%	90.3%
Las Palmas de Gran Canaria ^(*)	4.9	5.3	5.0	5.3	94.6%	96.3%	92.7%	96.3%
Palma de Mallorca ^(*)	5.2	5.5	5.4	5.5	91.4%	95.8%	95.4%	95.8%
Valencia ^(**)	4.7	5.1	4.9	5.1	90.3%	93.9%	88.3%	93.9%
Toledo ^(**)	3.8	4.3	4.1	4.3	91.7%	90.5%	87.3%	90.5%
Pamplona ^(*)	4.9	5.0	5.0	5.0	95.0%	96.0%	95.3%	96.0%
Valladolid ^(**)	4.6	4.7	4.6	4.7	80.1%	85.9%	81.5%	85.9%
Oviedo ^(**)	4.9	5.2	5.1	5.2	77.5%	75.5%	73.7%	75.5%
Top 10 markets	7.0	7.4	7.7	7.9	89.5%	90.5%	89.7%	90.6%
Other locations⁽⁷⁾	5.1	5.4	5.3	5.4	82.2%	87.2%	83.0%	87.2%
Total premium and core markets	6.9	7.2	7.6	7.8	89.0%	90.3%	89.3%	90.4%
Non-core assets	5.1	5.1	5.3	5.4	79.3%	80.5%	82.8%	82.3%
Total portfolio	6.7	7.1	7.3	7.5	88.0%	89.3%	88.6%	89.5%

(*) Premium market; (**) Core market

(6) Referring to the Madrid Autonomous Region.

(7) Includes Alicante, A Coruña, Vigo and Málaga.

3. DIVIDEND POLICY

The Group's dividend policy takes into account sustainable levels of distribution, and reflects the Group's forecast for the earning of recurring profit. The Group does not intend to create reserves that cannot be distributed to the shareholders, except as legally required.

Under the Spanish real estate investment trust (SOCIMI) regime, the Group will be obligated to distribute profit obtained in the year, after complying with any relevant requirement in the Spanish Limited Liability Company Law, in the form of dividends to shareholders. A decision on such distribution must occur within the six months following each year-end, as follows. (i) at least 50% of the profit from the transfer of properties and shares or stakes in qualified subsidiaries, provided the remaining profit is reinvested in other real estate assets within three years following the transfer date or, otherwise, 100% of the profit must be distributed as dividends following elapse of said period; (ii) 100% of the profit obtained from receipt of dividends paid by qualified subsidiaries; (iii) at least 80% of other profit. If the resolution on distribution of dividends is not adopted within the legally required period, the Group will lose its status as a Spanish real estate investment trust (SOCIMI) with respect to the year of such dividends.

The Group's dividend policy mandates distribution of at least 80% of the cash flow from operations, less payment of interest and less payment of ordinary expenses of asset maintenance.

4. RISKS AND UNCERTAINTIES

Financial risk management policies in the rental real estate sector are determined mainly by analysis of investment projects, management of property occupancy rates and the situation in the financial markets:

Market risk

In light of current conditions in the property sector, the Group has established specific measures that it plans to adopt to minimise the impact of these factors on its financial position.

The application of these measures is dependent on the outcome of the sensitivity analyses that the Company performs periodically. These analyses take the following factors into consideration:

- The economic environment in which the Group performs its activity: The design of various economic scenarios with different key variables that can affect the Group (e.g. interest rates, share prices, occupancy rates of investment property, etc.). The identification of variables that are interconnected and their degree of connection.
- Time frame within which the assessment is made: The time frame for the analysis and the potential deviations shall be taken into account.

Credit risk

Credit risk is defined as the risk of financial loss to which the Group is exposed if a customer or counterparty defaults on its contractual obligations.

As a general rule, the Group places cash and cash equivalents with financial institutions with high credit ratings.

The Group has policies in place to limit customer credit risk and it manages its exposure to credit recovery risk as part of its normal activities through, among others, guarantees and securities.

The Group has formal procedures in place to detect impairment of trade receivables. By means of these procedures and individual analyses by business areas, delays in payment can be detected and methods for estimating the impairment loss can be established.

Cash and cash equivalents

The Group has cash and cash equivalents totalling 71,158 thousand euros, which represents its maximum exposure to the risk associated with these assets.

Cash and cash equivalents are deposited with banks and financial institutions.

Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Group applies a prudent liquidity risk management policy, based on having sufficient liquidity to meet its obligations when they fall due, in both normal and stressed conditions, without incurring unacceptable losses or placing the Group's reputation at risk.

Foreign currency risk

The Group is not exposed to exchange rate fluctuations as all its transactions are carried out in its functional currency.

Tax risk

The Parent adhered to the special tax regime for REITs. Pursuant to Article 6 of Law 11/2009 of 26 October 2009, amended by Law 16/2012 of 27 December, companies that have opted for the special tax regime are required to distribute profit for the year to the shareholders in the form of dividends, once all obligations under commercial law have been met. The distribution must be approved within six months of each year-end and paid in the month following the date of the distribution resolution.

As established by Transitional Provision One of Real Estate Investment Trust Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, the Company may opt to apply the special tax regime under the terms and conditions established in Article 8 of Law 11/2009, of 26 October, even if it does not meet the requirements therein, provided that such requirements are met within two years after the date of the option to apply that regime.

At 31 December 2017, the Parent does not meet the requirement of its shares being listed in the stock exchange, the time limit for which is 22 September 2018. The Board of Directors, in its meeting of 30 November 2017, approved the initiation of the process for listing the Parent Company's shares in the continuous market in the coming months. For this reason, and considering the support of the shareholders, the Directors of the Parent consider that the listing requirement, along with the other requirements for applying the special tax regime, will be met pursuant to applicable laws, and that the Parent Company will remain subject to the REIT tax regime.

5. TREASURY SHARES

The Group held no treasury shares at 31 December 2017 and 2016.

6. OUTLOOK/R&D/OTHER

For 2018, the Testa Group expects to maintain the same excellent occupancy rate and rent levels.

The Group also expects to continue to acquire assets that fit within its investment strategy and, at 31 December 2017, had a cash position of 71 million euros and an undrawn amount of 450 million euros of the new syndicated loan.

The Group considers that it complies with the maximum payment period with respect to the combating of late payments. The average period for payment to suppliers is approximately 15 days.

The Group did not undertake any research and development activity in 2017.

Average headcount

The average headcount of the Group in 2018 was 80, of which 47% are male and 53% are female.

Corporate responsibility

Given the nature of the Group's activity, it does not have a significant impact on the environment.

7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Cancellation of service agreement with Merlin Properties, SOCIMI, S.A.

In accordance with the decision adopted by the Board of Directors of the Company on 22 December 2016, and following elapse of the terms and fulfilment of the conditions established in this regard in the service agreement entered into with Merlin Properties SOCIMI, S.A., the Company, in conformity with clause 9.3, has notified Merlin Properties, SOCIMI, S.A. of its withdrawal of the aforementioned agreement effective 19 January 2018.

The impact of this withdrawal means that the Company will record an expense of 108,563 thousand euros (which includes the portion corresponding to non-recoverable VAT) in its financial statements for 2018 as compensation for cancellation of the contract and, initially, a liability of the same amount for Merlin Properties SOCIMI, S.A. However, this liability may be settled in cash or through the delivery of shares of Testa Residencial SOCIMI, S.A., at the Company's discretion.

On 26 March 2018, the General Meeting of Testa Residencial SOCIMI, S.A., approved a capital increase via a conversion of debt into equity in the amount of 89,721 thousand euro, through the issue of 640,693,342 new shares of 0.01 euros in nominal value each (6,407 thousand euros), plus a share premium of €0.130037800013383 per share issued (83,314 thousand euros). The capital increase was fully subscribed by Merlin Properties SOCIMI, S.A. The remaining amount, relating to Value-Added Tax in the amount of 18,842 thousand euros, was settled in cash.

Long-term executive incentive plan and exit bonus

On 26 March 2018, the Board of Directors of the Company resolved to call a General Meeting, the agenda of which includes a proposal for admission to trading of Company shares in the stock exchanges of Madrid, Barcelona, Bilbao and Valencia. The Board of Directors has approved a long-term incentive plan for certain executives. The plan will have a duration of five years and accrual will be linked to the achievement of certain financial indicators related to the price of Company shares following admission to trading. The maximum amount that would be received by plan beneficiaries is approximately 1.8 million euros a year. The plan will be payable half in cash and half in shares.

In addition, the Board of Directors has approved an incentives plan payable in Company shares by the majority shareholders to key executives and other employees in the event of an initial public offering. The number of shares to be delivered to key executives will be linked to a length of service criterion and to the share price on the admission date. The number of shares for other employees is fixed and will be linked only to the length of service criterion.

Acquisition of portfolio of housing units

On 23 March 2018, the Company signed an agreement with a third party for the purchase of 1,458 housing units for an approximate amount of 228 million euros. Under its own terms, the agreement's effectiveness is subject to the fulfilment of certain conditions precedent that are standard in such transactions. The conditions are expected to be fulfilled in the coming months. The acquisition will be funded through a partial drawdown of the syndicated loan signed in December 2017.

8. ALTERNATIVE PERFORMANCE MEASURES

As indicated in Note 2 to the consolidated financial statements, the Group draws up its consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union (EU-IFRS). In addition to the accounting information under IFRS -EU, the Group deems it appropriate to present a range of Alternative Performance Measures (APMs) to facilitate assessment of its performance. Users should use these APMs to complement - but not replace - the financial information presented in accordance with the presentation bases for the consolidated financial statements.

In view of the particular features of its business, the Group explains its activity and performance on the basis of the following: Passing Rent (residential and other) and Average Residential Passing Rent by m2 and apartment,

Gross Annualised Rents, Performance of Like-for-Like Residential Passing Rent, Net Rent and Net Rent Margin, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin, FFO1 and FFO1 per share, AFFO and AFFO per share, Net Debt, Gross Asset Value, Gross Yield, Loan to Value, EPRA NAV, Adjusted EPRA NAV and Adjusted EPRA NAV per share as key indicators considered important for the Group and the sector in which it operates. The Group uses these measurements when planning its strategy, preparing budgets, reporting to its shareholders and reviewing the Group's performance.

The Group's management considers that these measures are commonly used among its peers in the industry. It considers measures based on EBITDA to be useful as they eliminate potential differences in operating income between the periods and companies being compared, due mainly to factors such as amortisation and depreciation, historic costs, the age of the assets, capital structures and tax regimes.

Details of the definitions, use, calculation and reconciliation of these APMs with the Group's consolidated financial statements are shown below:

Passing Rent (residential and other) and Average Residential Passing Rent per m2 and apartment

The Group defines Passing Rent as the rent at which the Group's assets are leased on the last day of the period. To separate residential rent and the rent of commercial premises, parking, offices and others, the Group distinguishes between Residential Passing Rent and Other Passing Rent for these items. Average Residential Passing Rent is Residential Passing Rent divided by the number of leased square meters occupied or the number of apartments occupied. These APMs are considered useful and relevant because they represent the most current measurement possible of rent contracted and payable to the Group by its tenants.

Given the contractual nature of these APMs, they cannot be reconciled with the consolidated financial statements, but they are calculated as follows:

	euros	
	2017	2016
Residential Passing Rent	5,625,569	2,654,248
Other Passing Rent	405,000	194,990
Total Passing Rent	6,030,569	2,849,238
Residential square metres leased (m ²)	750,139	404,543
Average Residential Passing Rent (€/m²)	7.50	6.59
Number of apartments occupied (units)	8,280	4,308
Average Residential Passing Rent (€/apartment/month)	679	616

Annualised Gross Rent

The Group defines Annualised Gross Rent as the Total Passing Rent multiplied by 12. The Group uses this APM (Alternative Performance Measure) as a measurement to show expected rental income a year ahead of time taking into account the current leasing situation.

This APM, thus, emerges from direct multiplication, which means that Annualised Gross Rent at 31 December 2017 and 2016:

	Thousands of euros	
	2017	2016
Total Passing Rent	6,031	2,858
Annualised Gross Rent	72,372	34,296

Like-for-Like Performance of Average Residential Passing Rent

The Group defines Like-for-Like Average Residential Passing Rent as the percent difference between the Average Residential Passing Rent at the start and the end of a period, assuming a constant scope of leased assets during the period.

This measure is relevant for the Group because it can measure rental performance without distorting the comparison by taking into account any asset acquisitions during the period.

This APM is calculated as follows and, by its nature, cannot be reconciled with the Group's financial statements:

	Euros
	2017
(A) Average Residential Passing Rent at the end of the period for assets held from the start of the period	7.09
(B) Average Residential Passing Rent at the start of the period for assets held at the time.	6.59
Like-for-Like Performance of Average Residential Passing Rent ((A/B) -1)	7.7%

Net Rent and Net Rent Margin

The Group defines Net Rent as income from leases less non-recoverable expenses on leased properties, both as shown in the Group's consolidated financial statements. The Net Rent Margin is Net Rent divided by lease income.

These indicators are useful to the Group because they provide an initial measure of the performance and profitability of leased assets. They are reconciled and calculated based on the Group's consolidated financial statements as follows:

	Thousands of euros	
	2017	2016
Rent revenues (Note 19.1)	52,439	9,035
(-) Non-recoverable expenses on leased properties (Note 19.3)	(13,675)	(2,393)
Net Rent	38,764	6,642
Net Rent Margin	73.9%	73.5%

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

The Group defines EBITDA as Net Rent less personnel expenses and general expenses. The Group defines Adjusted EBITDA as EBITDA less expenses considered exceptional in the period. For 2017 and 2016, these exceptional expenses arise from the service agreement with Merlin Properties SOCIMI, S.A. The Adjusted EBITDA Margin is defined and calculated as Adjusted EBITDA divided by Net Rent.

The Group and the industry uses EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin as an objective and comparable performance measure for assessing its payment and cash flow-generation capacity.

Calculation and reconciliation of these indicators with the Group's consolidated financial statements are as follows:

	Thousands of euros	
	2017	2016
Net Rent	38,764	6,642
(-) Personnel expenses (Note 19.2)	(3,214)	(2,000)
(-) General expenses (Note 19.3)		
Professional Services	(8,440)	(1,753)
Office rent	(216)	(28)
Taxes other than income tax	(1,933)	(416)
Other	(459)	(78=
EBITDA	24,502	2,367
(+) Annual expense of service agreement	9,317	1,813
Adjusted EBITDA	33,819	4,180
Adjusted EBITDA Margin	64.5%	46.26%

FFO1 and FFO1 per share

The Group defines FFO1 as funds from transactions that are calculated as Adjusted EBITDA plus interest income, less interest payments and corporate income tax payments. Such income and expense are as presented in the Group's consolidated statement of cash flows. FFO1 per share is FFO1 divided by the number of shares of the Parent at the current date.

FFO1, total and per share, is a widely used key measure of liquidity in the sector where the Group operates.

It is calculated and reconciled as follows:

	Thousands of euros	
	2017	2016
Adjusted EBITDA	33,819	4,180
(-) Interest paid	(11,784)	(1,141)
(+) Interest received	165	1
(-) Corporate income tax paid	(114)	(133)
FFO1	22,086	2,907
Closing number of shares	12,586,326,743	4,676,593,732
FFO1 per share	0.0018	0.0006

AFFO and AFFO per share

The Group defines AFFO as the funds from alternative transactions calculated as FFO1 less capitalisations from improvements to investment property, excluding acquisition costs, the latter being taken from the notes to the Group's consolidated financial statements. AFFO per share is AFFO divided by the number of shares of the Parent at the current date.

Similarly to FFO1, AFFO is used because it provides a measure of liquidity generated by transactions, this time discounting the investments made by the Group to improve its assets.

	Thousands of euros	
	2017	2016
FFO1	22,086	2,907
(-) Capitalisations from improvements to investment property (excluding acquisition costs)	(3,339)	-
AFFO	18,747	2,907
Closing number of shares	12,586,326,743	4,676,593,732
AFFO per share	0.0015	0.0006

Net debt

The Group defines Net Debt as borrowings with credit institutions, bonds and other financial debts, including accrued interest payable, less cash and cash equivalents, as these are presented in the Group's consolidated statement of financial position.

This measure offers an objective view of the Group's net financial debt.

The reconciliation of this APM with the consolidated financial statements is as follows:

	Thousands of euros	
	2017	2016
(+) Non-current bank borrowings (Note 14)	473,224	348,462
(+) Current bank borrowings (Note 14)	2,238	11,998
(-) Arrangement expenses (Note 14)	(2,679)	(551)
(+) Debt interest (Note 14)	301	635
(+) Derivatives (Note 14)	120	940
(-) Cash and cash equivalents	(71,158)	(28,801)
Net debt	402,046	332,683

Gross Asset Value

The Group defines Gross Asset Value (GAV) as the gross value of its investment property and concession projects at the date measured by an independent expert appraiser.

GAV is a widely used benchmark for measuring the total value of the Group's assets.

GAV is not reconciled with the consolidated financial statements. Rather, it differs from the latter with respect to the accounting treatment of concession projects.

GAV at 31 December 2017 amounted to 2,275,521 thousand euros, whereas at 31 December 2016 it was 1,078,608 thousand euros.

Gross Yield

The Group defines Gross Yield as the Annualised Gross Rent divided by GAV.

Gross Yield is a measure that represents the gross profitability of the Group's assets.

It is calculated on the basis of previously defined APMs, as follows:

	2017	2016
Annualised Gross Rent	72,372	34,296
GAV	2,275,521	1,078,608
Gross Yield	3.18%	3.18%

Loan to Value

The Group defines Loan to Value (LTV) as Net Debt to GAV.

LTV is used as a measurement in the analysis and comparison of the Group's indebtedness and leveraging.

Consistent with its definition of LTV, it is not reconciled but rather calculated using two previously reconciled APMs, as shown below:

	Thousands of euros	
	2017	2016
Net financial debt	402,046	332,683
GAV	2,275,521	1,078,608
Loan to Value	17.7%	30.8%

EPRA NAV, Adjusted EPRA NAV and Adjusted EPRA NAV per share

The Group defines EPRA NAV as the equity attributable to the Parent plus unrealised gains on concession projects, the fair value of financial derivatives and deferred tax liabilities less deferred tax assets. Adjusted EPRA NAV aims to illustrate what the Group's EPRA NAV would be once the two corporate actions expected for 2018 become effective: payment of VAT from cancellation of service agreement with Merlin Properties SOCIMI, S.A. and conversion to equity of liability with Acciona pursuant to contractual clauses of corporate action that gave rise to the business combination described in Note 3 to the Group's consolidated financial statements. Therefore, the Adjusted EPRA NAV is calculated as EPRA NAV plus the effect the two transactions would have in equity. Adjusted EPRA NAV per share is merely the Adjusted EPRA NAV divided by the number of Parent Company shares at the current date.

The Group does not intend to use Adjusted EPRA NAV, as it has been defined, on a continuous basis in the future. Rather, it has been used in 2017 to accommodate adjustments deemed to be isolated, one-off events in the Group's business.

EPRA NAV is a widely used indicator to measure equity in the sector where the Group operates.

These indicators are reconciled and calculated as follows:

	Thousands of euros	
	2017	2016
Equity attributable to the Parent	1,393,752	674,385
(+) Unrealised gains on concession projects (Note 6)	8,361	3,444
(+) Fair value of financial derivatives (Note 14)	120	940
(+) Deferred tax liabilities	105,953	60,649
(-) Deferred tax assets	(11,083)	(296)
EPRA NAV	1,497,103	739,122
(-) VAT payment on cancellation of service agreement (Note 26)	(18,840)	
(+) Commitment with Acciona (Note 15)	355,565	-
Adjusted EPRA NAV	1,833,828	739,122
Adjusted number of shares	13,227,020,257	4,676,593,732
Adjusted EPRA NAV per share	0.1386	0.15840

Testa Residencial SOCIMI, S.A. and Subsidiaries

Interim Condensed Consolidated Financial
Statements for de three months ended
March 31, 2018 and
Special Report on Limited Review

*Translation of a report originally issued in Spanish and of
interim condensed consolidated financial statements
originally issued in Spanish and prepared in accordance
with the regulatory financial reporting framework
applicable to the Group in Spain (see Notes 2 and 14). In
the event of a discrepancy, the Spanish-language version
prevails*

Translation of a report originally issued in Spanish and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Testa Residencial SOCIMI, S.A. at the request of the Board of Directors,
Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of Testa Residencial SOCIMI, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the condensed consolidated statement of financial position as at 31 March 2018, and the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and explanatory notes thereto for the three-month period then ended. The Parent's directors are responsible for preparing these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

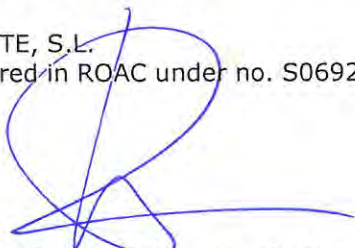
Conclusion

Based on our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the three-month period ended 31 March 2018 are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial statements.

Emphasis of Matter

We draw attention to explanatory Note 2.1 to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2017. Our conclusion is not modified in respect of this matter.

DELOITTE, S.L.
Registered in ROAC under no. S0692



Antonio Sánchez-Covisa Martín-González
26th April, 2018

TESTA RESIDENCIAL SOCIMI, S.A. and Subsidiaries

Condensed Consolidated Interim Financial
Statements for the
three months ended 31 March 2018
prepared in accordance with International Financial
Reporting Standards
(IFRSs) as adopted by the European Union

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

**TESTA RESIDENCIAL, SOCIMI, S.A.
AND SUBSIDIARIES**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018
(Thousands of euros)

ASSETS	Notes	31/03/2018	31/12/2017	EQUITY AND LIABILITIES	Notes	31/03/2018	31/12/2017
NON-CURRENT ASSETS:				EQUITY:	Note 6		
Concession projects	Note 4	155.588	156.343	Share capital		132.270	125.863
Other intangible assets		225	99	Issue premium		1.416.193	1.332.879
Property, plant and equipment		254	70	Reserves	Note 6.2	(133.239)	(133.046)
Investment property	Note 5	2.107.230	2.106.079	Retained earnings		70.146	-
Non-current financial assets -		9.694	9.812	Prior years' losses		(1.754)	(1.754)
Collection rights, Service concession arrangements		4.224	4.738	Profit/(loss) for the period attributable to the Parent		(104.261)	70.146
Other financial assets		5.470	5.074	Valuation adjustments		(306)	(336)
Deferred tax assets		11.084	11.083	Equity attributable to the Parent		1.379.049	1.393.752
Total non-current assets		2.284.075	2.283.486	Non-controlling interests		774	772
				Total equity		1.379.823	1.394.524
				NON-CURRENT LIABILITIES:			
				Provisions	Note 8	320	320
				Non-current financial liabilities -		841.655	841.232
				Non-current bank borrowings	Note 7	470.067	470.545
				Derivatives	Note 7	102	120
				Other non-current liabilities	Note 8	371.486	370.567
				Deferred tax liabilities		105.953	105.953
				Total non-current liabilities		947.928	947.505
				CURRENT LIABILITIES:			
				Provisions	Note 8	-	1.019
				Current financial liabilities -		2.613	2.539
				Current bank borrowings	Note 7	2.613	2.539
				Current payables to related companies	Note 11.2	5.400	5.400
				Trade and other payables	Note 9	6.780	5.092
				Payable to suppliers		651	3.168
				Current tax liabilities		648	523
				Other payables to public authorities		584	243
				Other payables		4.897	1.158
				Accrued expenses and deferred income		2.522	-
				Total current liabilities		17.315	14.050
CURRENT ASSETS:				TOTAL EQUITY AND LIABILITIES		2.345.066	2.356.079
Trade and other receivables		2.690	1.432				
Other current financial assets		-	3				
Prepayments and accrued income		311	-				
Cash and cash equivalents	Note 12	57.990	71.158				
Total current assets		60.991	72.593				
TOTAL ASSETS		2.345.066	2.356.079				

The accompanying explanatory Notes 1 to 14 and Appendix I are an integral part of the condensed consolidated statement of financial position at 31 March 2018.

TESTA RESIDENCIAL, SOCIMI, S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements and Directors' Report for the
three months ended 31 March 2018. 2 of 34

**TESTA RESIDENCIAL, SOCIMI, S.A.
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE
THREE MONTHS ENDED 31 MARCH 2018**
(Thousands of euros)

	Notes	31/03/2018	31/03/2017
CONTINUING OPERATIONS:			
Revenue	Note 10.1	17.902	8.794
Other operating income		14	10
Personnel expenses	Note 10.2	(1.341)	(729)
Other operating expenses	Note 10.3	(117.071)	(5.383)
Depreciation charge	Note 4	(807)	(682)
Provision surpluses		3	-
Gains/(losses) from asset disposals		-	233
OPERATING PROFIT/(LOSS)		(101.300)	2.243
Finance costs		(2.078)	(1.506)
Change in fair value of financial instruments	Note 8	(756)	86
PROFIT/(LOSS) BEFORE TAX		(104.134)	823
Corporate income tax		(125)	(162)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(104.259)	661
Attributable to shareholders of the Parent		(104.261)	661
Attributable to non-controlling interests		2	-
BASIC EARNINGS PER SHARE (in euros):	Note 6.4	-0,8256	0,0081
DILUTED EARNINGS PER SHARE (in euros):		-0,8256	0,0081

The accompanying explanatory Notes 1 to 14 and Appendix I are an integral part of the condensed consolidated income statement for the three months ended 31 March 2018.

**TESTA RESIDENCIAL, SOCIMI, S.A.
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
THREE MONTHS ENDED 31 MARCH 2018**
(Thousands of euros)

	31/03/2018	31/03/2017
PROFIT/(LOSS) PER THE INCOME STATEMENT (I)	(104.259)	661
OTHER COMPREHENSIVE INCOME:		
Income and expenses recognised directly in equity-		
Arising from cash flow hedges	(396)	30
TOTAL COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY (II)	(396)	30
Amounts transferred to income statement		
Arising from cash flow hedges	426	(86)
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT (III)	426	(86)
TOTAL COMPREHENSIVE INCOME (I+II+III)	(104.229)	605
Attributable to shareholders of the Parent	(104.231)	605
Attributable to non-controlling interests	2	-

The accompanying explanatory Notes 1 to 14 and Appendix I are an integral part of the condensed consolidated statement of comprehensive income for the three months ended 31 March 2018.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE
THREE MONTHS ENDED 31 MARCH 2018**

(Thousands of euros)

	Share capital	Issue premium	Reserves	Retained earnings	Profit/(loss) from prior periods	Profit/(loss) for the year	Valuation adjust ments	Equity attributable to the Parent	Non-controlling interests	Total equity
Balance at 31 December 2016	46.766	411.032	192.295	-	-	24.781	(489)	674.385	-	674.385
Consolidated comprehensive income	-	-	-	-	-	661	(56)	605	-	605
Capital increases	52.218	607.505	(1.147)	-	-	-	-	663.005	-	663.005
Distribution of 2016 profit	-	-	-	26.535	(1.754)	(24.781)	-	-	-	-
Balance at 31 March 2017	98.984	1.018.537	191.148	26.535	(1.754)	661	(545)	1.337.995	-	1.337.995
Balance at 31 December 2017	125.863	1.332.879	(133.046)	-	(1.754)	70.146	(336)	1.393.752	772	1.394.524
Consolidated comprehensive income	-	-	-	-	-	(104.261)	30	(104.231)	2	(104.229)
Capital increases (Note 5)	6.407	83.314	(193)	-	-	-	-	89.528	-	89.528
Transfers between equity items	-	-	-	70.146	-	(70.146)	-	-	-	-
Balance at 31 March 2018	132.270	1.416.193	(133.239)	70.146	(1.754)	(104.261)	(306)	1.379.049	774	1.379.823

The accompanying explanatory Notes 1 to 14 and Appendix I are an integral part of the condensed consolidated statement of changes in equity for the three months ended 31 March 2018.

TESTA RESIDENCIAL, SOCIMI, S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements and Directors' Report for the
three months ended 31 March 2018. 5 of 34

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

**TESTA RESIDENCIAL, SOCIMI, S.A.
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
THREE MONTHS ENDED 31 MARCH 2018**
(Thousands of euros)

	Notes	31/03/2018	31/03/2017
CASH FLOWS FROM OPERATING ACTIVITIES:		(11.858)	6.492
Profit/(loss) for the period before tax		(104.134)	661
Adjustments to profit/loss-		117.638	1.869
Depreciation of fixed assets	Note 4	807	682
Impairment		11	-
Gains/(losses) on derecognition and disposal of non-current assets		-	(233)
Finance income		(232)	-
Financial costs		2.310	1.506
Change in fair value of financial instruments		756	(86)
Other income and expenses		113.986	-
Changes in working capital-		(5.727)	5.238
Trade and other receivables		(1.269)	(194)
Trade and other payables		(2.937)	(94)
Other assets and liabilities		(1.521)	5.526
Other cash flows from/(used in) operating activities-		(19.635)	(1.276)
Interest paid		(2.344)	(1.236)
Borrowing costs		232	-
Income tax payments		-	(40)
Other receipts/(payments)	Note 6	(17.523)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		(1.000)	3.056
Payments for investments-		(1.909)	(1.854)
Investment properties	Note 5	(1.151)	(1.379)
Property, plant and equipment		(184)	(83)
Intangible assets		(178)	(392)
Financial assets		(396)	-
Proceeds from divestments-		909	4.910
Investment properties		-	4.315
Financial assets		909	595
CASH FLOWS FROM FINANCING ACTIVITIES:		(310)	(7.702)
Proceeds from and payments for financial liability instruments-		(310)	(7.702)
Refund on bank borrowings		(310)	(7.674)
Repayment of other debts		-	(28)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(13.168)	1.846
Cash and cash equivalents at start of period		71.158	28.801
Cash and cash equivalents at end of period		57.990	30.647

The accompanying explanatory Notes 1 to 14 and Appendix I are an integral part of the condensed consolidated statement of cash flows for the three months ended 31 March 2018.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

TESTA RESIDENCIAL SOCIMI, S.A. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for the three months ended 31 March 2018

1. Nature and Group activity

TESTA RESIDENCIAL SOCIMI, S.A. (hereinafter, the Parent) was formed as a public limited company with the company name Vallehermoso Patrimonio, S.A., in Madrid on 4 January 2001, before the Notary José Aristónico García Sánchez, for an indefinite period.

On 24 June 2005, the company changed its name from Vallehermoso Patrimonio, S.A. to Testa Residencial, S.L.U.

On 7 April 2006, the Sole Shareholder of Testa Residencial, S.L.U., Testa Inmuebles en Renta, S.A., entered into a public deed before the Madrid Notary José Aristónico García Sánchez, with number 836/2006 of his notarial record book, with respect to the contribution by the Sole Shareholder of the business line involving the rental of homes located in Spain, in accordance with the decision of the Board of Directors of Testa Inmuebles en Renta, S.A. on 20 December 2005.

On 8 June 2015, Merlin Properties, SOCIMI, S.A. and the sole shareholder of Testa Residencial, S.L.U. (Testa Inmuebles en Renta SOCIMI, S.A.) entered into a binding agreement for the acquisition by Merlin Properties, SOCIMI, S.A. of a majority stake (99.9%) in the share capital of Testa Inmuebles en Renta SOCIMI, S.A. In 2016, Merlin Properties, SOCIMI, S.A. became the Parent of the Testa Inmuebles Group at Renta SOCIMI, S.A. and its subsidiaries, which included Testa Residencial, S.L.U.

On 15 September 2016, the merger took place between the residential business of Merlin Properties, SOCIMI, S.A. (Testa Residencial, S.L.U.) and the residential business of Metrovacesa S.A., whereby the latter acquired control over Testa Residencial, S.L.U., although this latter legal entity was the one that survived from the standpoint of company law.

On 22 September 2016, the General Meeting requested the inclusion of the Parent in the REIT tax system, applicable from 1 January 2016, changing its company name from Testa Residencial, S.A.U. to Testa Residencial, SOCIMI, S.A. The Parent with tax ID no. A82865890 was legally registered in the Madrid Mercantile Register.

Since 23 February 2017, the Parent's registered office has been located at Paseo de la Castellana, 257, in Madrid. Previously, its registered office was found at calle Ventura Rodríguez, 7, Madrid.

The Parent's object consists of the lease of homes in Spain that have been built, promoted or acquired.

Testa Residencial, SOCIMI, S.A. and Subsidiaries (hereinafter, "the Group") engage mainly in the acquisition and management (through leases to third parties) of homes, and may also invest to a lesser extent in other leased assets.

The tax regime of the Parent is regulated by Real Estate Investment Trust (REIT) Law 11/2009, of 26 October, amended by Law 16/2012 of 27 December. Article 3 establishes the investment requirements of this type of company, namely:

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1. REITs must have invested at least 80% of the value of their assets in urban properties earmarked for lease, in land to develop properties to be used for that purpose, provided that development begins within three years following its acquisition, and in equity investments in other companies referred to in Article 2.1 of the aforementioned Law.

The value of the asset is calculated based on the average of the quarterly individual balance sheets of the year. To calculate this value, the Company may opt to substitute the carrying amount for the market value of the items contained in these balance sheets, which will apply to all the balance sheets of the year. Any money or collection rights arising from the transfer of the aforementioned properties or investments made in the year or in prior years will not be included in the calculation unless, in the latter case, the reinvestment period referred to in Article 6 of the aforementioned Law has expired.

2. Similarly, at least 80% of the rental income for the tax period corresponding to each year, excluding the rental income deriving from the transfer of ownership interests and properties used by the Company to achieve its principal object, once the retention period referred to below has elapsed, should be obtained from the lease of properties and dividends or shares of profits arising from the aforementioned investments.

This percentage must be calculated on the basis of the consolidated profit if the company is the parent of a group, in accordance with the criteria established in Article 42 of the Spanish Commercial Code, regardless of its place of residence and of the obligation for formally prepare consolidated financial statements. Such a group must be composed exclusively of the REIT and the other entities referred to in article 2.1 of the aforementioned Law.

3. The properties included in the REIT's assets should remain leased for at least three years. The time during which the properties have been made available for lease will be included in calculating this term, with a maximum of one year. The term will be calculated:

a) For properties included in the REIT's assets before the company avails itself of the regime, from the beginning of the first tax period in which the special tax regime established in Law 11/2009, of 26 October, applies, provided that at that date, the asset is leased or made available for lease. Otherwise, the following shall apply.

b) For properties developed or acquired subsequently by the Company, from the date on which they were leased or made available for lease for the first time.

c) In the case of shares or ownership interests in the companies referred to in Article 2.1 of the aforementioned Law, these should be retained as assets of the REITs for at least three years following their acquisition or, as the case may be, from the beginning of the first tax period in which the special tax regime established in that Law applies.

As established by Transitional Provision One of Real Estate Investment Trust Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, the Company may opt to apply the special tax regime under the terms and conditions established in Article 8 of Law 11/2009, of 26 October, even if it does not meet the requirements therein, provided that such requirements are met within two years after the date of the option to apply that regime.

Failure to meet this condition will require the Parent to file corporate income tax returns under the general tax regime from the tax period in which the aforementioned condition is not met, unless the situation is rectified the following tax period. The Parent will also be obliged to pay, together with the amount relating to the aforementioned tax period, the difference between the amount of tax payable under the general tax regime and the amount paid under the special tax regime in the previous tax periods, including any applicable late payment interest, surcharges and penalties.

The corporate income tax rate for REITs was set at 0%. However, where the dividends that the REIT distributes to its shareholders holding an ownership interest exceeding 5% are exempt from tax or are subject to tax rate lower than 10%, the REIT shall be subject to a special charge of 19%, which shall be considered to be the corporate income tax charge, on the amount of the dividend distributed to these shareholders. If applicable, this special charge must be paid by the REIT within two months after the dividend payment date.

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2. Basis of presentation of the condensed consolidated interim financial statements and basis of consolidation

2.1 Regulatory framework

The regulatory financial reporting framework applicable to the Group consists of:

- The Code of Commerce and other corporate legislation,
- The International Financial Reporting Standards (IFRSs) as adopted by the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and Spanish Law 62/2003, of 30 December, on tax, administrative and social order measures.
- Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating Listed Real Estate Investment Trusts (REITs) and all other Spanish corporate law.
- All other applicable Spanish accounting regulations.

The consolidated financial statements for 2017 were prepared in accordance with the financial reporting regulatory framework detailed in the preceding paragraph; accordingly, they present fairly the Group's consolidated equity and consolidated financial position at 31 December 2017 and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows generated at the Group in the year then ended.

The separate and consolidated financial statements of Testa Residencial, SOCIMI, S.A. for 2017, prepared by its directors, were approved by the shareholders at the Annual General Meeting held on 26 April 2018.

The 2017 separate financial statements for the rest of the companies comprising the Group, which were authorised for issue by their respective directors, have not yet been approved by their shareholders at the respective Annual General Meetings.

The accompanying condensed consolidated interim financial statements for the three months ended 31 March 2016 are presented in accordance with International Accounting Standard (IAS 34) Interim Financial Reporting, and were authorised for issue by the Parent's directors on 26 April 2018, in accordance with Article 12 of Spain's Royal Decree 1362/2007.

In accordance with IAS 34, the interim financial report is intended to provide an update on the latest complete set of the Group's annual consolidated financial statements, focusing on new activities, events and circumstances that took place during the period and not duplicating information previously reported in the annual consolidated financial statements. Therefore, the condensed consolidated interim financial statements at 31 March 2018 do not include all the disclosures required of a complete set of consolidated financial statements prepared in accordance with IFRSs as adopted by the European Union. Therefore, the accompanying condensed consolidated interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2017.

Consolidated profit or loss, and the determination of consolidated equity are a product of the accounting policies and principles, measurement bases and estimates followed by the Parent's directors in the preparation of the condensed consolidated financial statements. The main accounting principles and policies, and measurement bases used are the same as those applied in the 2017 consolidated financial statements, except for the standards and interpretations that became effective in the first quarter of 2018.

2.2 Basis of presentation of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements for the three months ended 31 March 2018 were obtained from the accounting records of the Parent and of the companies included in the scope of consolidation, and they were prepared in accordance with the financial reporting regulatory framework detailed in Note 2.1 above; accordingly, they present fairly the Group's consolidated equity and consolidated financial position at 31 March 2018 and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows generated at the Group in the three months then ended.

In order to present the various items that make up the condensed consolidated interim financial statements on a uniform basis, the accounting policies and measurement bases used by the Parent were applied to all the companies included in the scope of consolidation.

The accompanying condensed consolidated interim financial statements at 31 March 2018 have been reviewed by the auditors. Figures as at 31 March 2017 and 31 December 2017 are presented solely for purposes of comparison.

2.2.1 Adoption of International Financial Reporting Standards effective beginning on or after 1 January 2018

In the first quarter of 2018, the following standards, amendments to standards and interpretations became effective and, where applicable, were used by the Group in the preparation of these condensed consolidated interim financial statements:

Standards, amendments and interpretations	Description	Obligatory application in annual reporting periods beginning on or after:
IFRS 15 Revenue from Contracts with Customers (issued in May 2014).	New standard for recognising revenue. Supersedes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31. The new IFRS 15 model is much more restrictive and, in addition to adopting a very different approach, is based on rules and, therefore, the application of the new requirements may give rise to changes in the revenue profile.	1 January 2018
IFRS 9 Financial Instruments (published in July 2014)	This new standard will supersede the current IAS 39. The change in concept is significant in all sections. This changes the classification and measurement model for financial assets whose central axis will be the business model. The focus of the hedge accounting model aims for closer alignment with economic risk management and demands fewer rules. Lastly, the impairment model changes from the current incurred losses to a forecast losses model.	1 January 2018
Clarifications to IFRS 15 (published in April 2016)	Relates to identification of performance obligations, principal versus agent considerations, the granting of licences and their transfer at a point in time or over time, and clarifications on transition rules.	1 January 2018
Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (issued in June 2016)	These are limited amendments that clarify specific matters such as the accounting for the effects of vesting conditions on cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement clauses and certain aspects of the modifications to the type of share-based payment.	1 January 2018
Amendments to IAS 40 Reclassification of Investment Property (issued in December 2016)	The amendment clarifies that a reclassification of an investment as investment property shall only be permitted when it can be demonstrated that there has been a change in use.	1 January 2018
Improvements to IFRSs 2014-2016 Cycle (issued in December 2016)	Minor amendments to a series of standards (different effective dates)	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration (issued in December 2017)	This interpretation establishes the "transaction date" in order to establish the exchange rate applicable to transactions with	1 January 2018

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Standards, amendments and interpretations	Description	Obligatory application in annual reporting periods beginning on or after:
2016)	advance considerations in foreign currency.	

IFRS 15 did not have a significant impact to the extent that the standard excludes the lease arrangements from its scope, which continue to be regulated by the accounting standard (IAS 17/IFRS 16). Given the obligations arising under the SOCIMI statutory scheme, the Group has no significant income other than lease income.

IFRS 9 did not have a significant impact since no refinancing has occurred, derivative instruments arranged by the Group come under the same recognition and measurement criteria under the new standard as under the former IAS 39, and the balance of receivables is not significant either, taking into account that the insolvency risk is less than 1% of revenue.

The remaining standards and amendments did not have a significant impact.

All accounting principles and measurement bases with a material effect on the condensed consolidated interim financial statements were applied in their preparation.

2.2.2 Standards not in force in 2018

The following standards were not effective in the first quarter of 2018, either because their effective date is subsequent to the date of the consolidated interim financial statements, or because they had not yet been adopted by the European Union:

Standards, amendments and interpretations	Description	Obligatory application in annual reporting periods beginning on or after:
IFRS 16 Leases (issued in January 2016)	A new standard on leases which supersedes IAS 17. It proposes an accounting model unique for lessees, which will include all leases in the balance sheet (with a few limited exceptions) with similar impact to that of current financial leases.	1 January 2019
IFRS 17 Insurance Contracts (issued in May 2017)	Replaces IFRS 4. Sets out the recognition, measurement, presentation and disclosure requirements for insurance contracts, so that entities provide relevant and reliable information allowing users to determine the effect that the contracts have on the financial statements.	1 January 2021 (1)
IFRIC 23 Uncertainty over Income Tax Treatments (issued in June 2017)	This interpretation clarifies how to apply the recognition and measurement criteria set out in IAS 12 when there is uncertainty regarding whether a tax authority will accept a given tax treatment applied by the entity.	1 January 2019 (1)
Amendments to IFRS 9 Prepayment Features with Negative Compensation (issued in October 2017)	Enables certain financial instruments with prepayment features to be measured at amortised cost, enabling the payment of a lower amount than the unpaid amounts of capital and interest.	1 January 2019 (1)
Amendments to IAS 28 Investments in Associates and Joint Ventures (issued in October 2017)	Clarifies that IFRS 9 must be applied to non-current investments in associates or joint ventures if the equity method is not applied.	1 January 2019 (1)
Improvements to IFRS 2015-2017 Cycle (issued in December 2017)	Minor amendments to certain standards	1 January 2019 (1)
Amendment to IAS 19, on Plan Amendment, Curtailment or Settlement (issued in February 2018)	In accordance with the amendments proposed, when a defined benefit plan is changed (as a result of an amendment, curtailment or settlement), the company will use the updated assumptions to determine the cost of the services and the net interest for the period after the change of plan.	1 January 2019 (1)

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Standards, amendments and interpretations	Description	Obligatory application in annual reporting periods beginning on or after:
Amendment to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A very significant clarification in relation to the result of these operations, because there had been a discrepancy between the standards. When concerning a business, a full gain or loss will be recognised and should the object of the transaction be assets, a partial gain or loss will be recognised.	Its adoption in the EU and its application in accordance with IASB has been deferred indefinitely.

(1) Not yet adopted by the European Union.

The Group is currently assessing the impact of the future application of the standards – which is mandatory from 1 January 2019 onwards – on the consolidated financial statements once they enter into force. It cannot reasonably estimate the impact until this analysis is complete. IFRS 16 Leases will supersede IAS 17 and will be effective as of 1 January 2019. One of the changes is that it includes a single accounting model for lessees, including all leases in the statement of financial position (with certain limited exceptions) as if they were financed purchases, with a similar impact to that of current finance leases. In contrast, lessor accounting will continue to use a dual model, similar to IAS 17. The Group accordingly believes the impact of adoption of this standard will be immaterial.

The other main change is the amendment to IAS 40 after IFRS 16 became effective, implying that the Group's right-of-use assets operated under leases are classified and measures as the rest of its investment properties. The impact of this amendments entails the classification of concession projects under investments properties, resulting in an increase in value of approximately 9 million euros.

2.3 Functional currency

The presentation currency of the condensed consolidated interim financial statements is the euro, which is the Group's functional currency.

2.4 Comparison of information

As required by the IFRSs adopted by the European Union, the condensed consolidated interim financial statements for the three months ended 31 March 2018 include comparative data for the three months ended 31 March 2017 for the condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and data as at 31 December 2017 for the condensed consolidated statement of financial position.

2.5 Responsibility for information and estimates

The information in these condensed consolidated interim financial statements is the responsibility of the Parent's directors.

In the Group's condensed consolidated interim financial statements for the three months ended 31 March 2018, estimates were occasionally made by the senior executives of the Group and of the consolidated companies, later ratified by the directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

1. The market value of the net assets acquired in business combinations.
2. The market value of the Group's investment property.
3. The fair value of certain financial instruments.
4. The measurement of provisions and contingencies.
5. Financial risk management and, in particular, liquidity risk management.
6. The recovery of deferred tax assets and the tax rate applicable to temporary differences.

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7. The definition of the transactions performed by the Group as a business combination pursuant to IFRS 3 or as an asset acquisition.
8. Compliance with requirements regulating Real Estate Investment Trusts.

As established by Transitional Provision One of Real Estate Investment Trust Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, the Company may opt to apply the special tax regime under the terms and conditions established in Article 8 of Law 11/2009, of 26 October, even if it does not meet the requirements therein, provided that such requirements are met within two years after the date of the option to apply that regime. At 31 March 2018, the Parent does not meet the requirement of its shares being listed on the stock exchange, the deadline for which is 22 September 2018. The Board of Directors, at its meeting of 30 November 2017, approved the initiation of the process for listing the Parent's shares on the continuous market in the coming months. For this reason, and considering the support of the shareholders, the Parent's directors consider that the listing requirement, along with the other requirements for applying the special tax regime, will be met pursuant to applicable laws, and that the Parent will remain subject to the REIT tax regime.

Changes in estimates:

Although these estimates were made on the basis of the best information available at 31 March 2018, future events may require these estimates to be modified prospectively (upwards or downwards), in accordance with IAS 8. The effects of any change would be recognised in the corresponding consolidated income statement.

2.6 Contingent assets and liabilities

There were no material changes in the Group's contingent assets and liabilities in the first three months of 2018.

2.7 Correction of accounting errors

No errors were uncovered in the preparation of the condensed consolidated interim financial statements for the three months ended 31 March 2018 requiring the restatement of amounts included in the 2017 consolidated financial statements.

2.8 Seasonality of the Group's operations

Given the activities carried out by Group companies, transactions are not considered to be highly cyclical or seasonal. Therefore, no specific disclosures are provided in these explanatory notes to the condensed consolidated interim financial statements for the three months ended 31 March 2018.

2.9 Condensed consolidated statement of cash flows

The Group's condensed consolidated statement of cash flows, prepared using the indirect method, uses the following terms defined below:

1. Cash flows: inflows and outflows of cash and cash equivalents, defined as short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
2. Operating activities: regular activities engaged in by companies that belong to the consolidated group, in addition to other activities that do not fall under the categories of investing or financing activities.
3. Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash equivalents.
4. Financing activities: activities that result in changes in the size and composition of equity and borrowings that are not part of the operating activities.

2.10 Materiality

In deciding the information to be disclosed on the various items in the condensed consolidated interim financial statements or other issues in these explanatory notes, in accordance with IAS 34, the Group assessed their materiality in relation to the condensed interim consolidated financial statements for the three months ended 31

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2.11 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the Group's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance, and for which different financial information is available.

The Parent's directors consider that the Group's sole business is the lease of homes, all located in Spain. Accordingly, all activities performed by the Group constitute a unique business operating segment.

3. Changes in the scope of consolidation and other variations

There were no significant changes to the Group's consolidation scope in the first three months of 2018.

The consolidated financial statements for the year ended 31 December 2017 provide information on consolidated Group companies at that date.

4. Concession projects, other intangible assets, and property, plant and equipment

Changes in concession projects, other intangible assets, and property, plant and equipment in the first three months of 2018 related to period depreciation and amortisation, which amounted to 807 thousand euros, recognised under "Depreciation charge" in the accompanying condensed consolidated income statement.

5. Investment property

The detail of and changes in this item in the three months ended 31 March 2018 were as follows:

At 31 March 2018

	Thousands of euros		
	31.12.2017	Additions	31.03.2018
Buildings for lease	2,106,079	1,151	2,107,230
Investment property	2,106,079	1,151	2,107,230

At 31 December 2017

	Thousands of euros					
	31.12.2016	Business combination	Additions	Disposals	Change in value of investment property	31.12.2017
Buildings for lease	912,304	413,601	719,050	(4,085)	65,209	2,106,079
Investment property	912,304	413,601	719,050	(4,085)	65,209	2,106,079

5.1 Buildings for lease

The changes in buildings for lease recognised in the three months ended 31 March 2018 related to investments in upgrades made by the Parent and the rest of the Group companies for 1,151 thousand euros, of which 23 thousand euros related to the higher acquisition cost of these assets.

Investment property is stated at fair value.

The Group takes out the insurance policies it considers necessary to cover the risks that might affect its investment property. At 31 March 2018, the Parent's directors estimated that all these risks had been adequately covered.

On 23 March 2018, the Group signed an agreement with a third party for the purchase of 1,458 housing units for an approximately 228 million euros. According to the terms of the agreement, its effectiveness is subject to the fulfilment of certain conditions precedent that are standard in this type of transaction. The conditions are expected to be fulfilled in the coming months. The acquisition will be funded with mortgage loans, which will be taken out with the acquisition is materialised.

No borrowing costs were capitalised in the three months ended 31 March 2018.

At 31 March 2018, the Group had a mortgage guarantee on various properties, to secure loans amounting to 101,131 thousand euros.

At 31 March 2018, the Group operated under this heading 790,496 square metres of gross leasable housing and 41,605 square metres of gross commercial premises, with an occupancy rate of 91%.

Measurement of fair value and sensitivity

All investment property leased or earmarked for lease through operating leases is classified as investment property.

In accordance with IAS 40, the Group periodically determines the fair value of its investment property so that, at the end of each half, the fair value reflects the market conditions of the investment property items at that date. The fair value is determined by reference to the appraisals carried out every six months by independent valuers.

The Group did not commission an update by external valuers of the appraisals at 31 March 2018, as it considered that there had not been any significant changes in the assumptions used to determine the fair value of its investment property. Accordingly, the remeasurement of the Group's investment property at fair value was carried out on 31 December 2017.

The market value of the Group's investment property at 31 December 2017, calculated based on appraisals by Savills Consultores Inmobiliarios, S.A., independent appraisers not linked to the Group, amounted to 2,106,079 thousand euros. The valuation was carried out 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), using discounted cash flows, applying two assumptions. These entail the following:

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Profitability Assumption (used for all those properties over which the Group has all the units): the method used to calculate the market value of investment property involves drawing up 10-year income and expense projections for each asset, adjusted at the reporting date using a market discount rate. The residual amount at the end of year 10 is calculated by applying an exit yield or cap rate to the projections of net revenues in year 11. The market values thereby obtained are analysed through the calculation and analysis of the capitalisation of return implicit in such values. The projections are designed to reflect the best estimate of future revenues and expenses from the investment properties. Both the exit yield and the discount rate are determined by taking into account Spanish and institutional market conditions. The percentage of real estate investments valued under this assumption as of December 31, 2017 amounted to 51% of the total.

Liquidation Assumption (used for all those properties over which the Group does not have all the units): the method used to calculate the market value of investment property assumes the asset liquidation when the leasing contract expires. It involves drawing up income and expense projections for each asset, adjusted at the reporting date using a market discount rate. The sale price is obtained by comparing the property with other similar properties that have been sold recently or are being offered in the market, after making the pertinent adjustments based on their differentiating factors. The projections are designed to reflect the best estimate of future revenues and expenses from the investment properties. The discount rate is defined by taking into account Spanish and institutional market conditions. The percentage of real estate investments valued under this assumption as of December 31, 2017 amounted to 49% of the total.

In any event, considering the situation of the rental property market, significant differences might arise between the fair value of the Group's investment property and their effective realisable values.

Disclosure of the fair value of investment property

The detail of assets measured at fair value by their level in the fair value hierarchy is as follows:

At 31 March 2018

	Thousands of euros			
	Total	Level 1	Level 2	Level 3
Recurring fair value measurements	2,107,230	-	-	2,107,230
<i>Investment property</i>				
Housing	2,107,230	-	-	2,107,230
Total assets measured at fair value on a recurring basis	2,107,230	-	-	2,107,230

In the three months ended 31 March 2018 there were no transfers of assets between levels.

Gross surface area at 31 March 2018 is as follows:

31 March 2018	Square metres								% occupancy
	Gross leasable area								
	Madrid Autonomous Community	Catalonia	Castilla y León	Galicia	Andalusia	Valencia Autonomous Community	Rest of Spain		
								Total	
Investment property	457,362	36,764	32,516	54,612	4,700	47,571	198,576	832,101	91%
% weight	54.96%	4.42%	3.91%	6.56%	0.56%	5.72%	23.87%		

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6. Equity and shareholders' equity

6.1 Share capital and issue premium

On 19 January 2018, the service provisions agreement with Merlin Properties SOCIMI, S.A. was terminated, with the Parent incurring a cost of 107,244 thousand euros (including the portion corresponding to non-recoverable VAT). This amount was calculated based on the Group's value per share at the effective date of termination (according to the Group's NAV at that date) times the number of shares to be delivered in accordance with stipulation 9.2 of the contract (640,396,342 new shares).

The liability arising from the contract termination was settled via capitalisation of an amount of 89,721 thousand euros, as explained in the following paragraph, and the payment of 18,842 thousand euros of VAT in cash, of which 17,523 thousand euro is non-tax deductible.

On 26 March 2018, the General Meeting of Testa Residencial SOCIMI, S.A. approved a capital increase by offsetting loans for 89,721 thousand euros, through the issuance of 640,693,342 new shares of 0.01 euros par value each (6,407 thousand euros), plus an issue premium of 0,130037800013383 euros per share (83,314 thousand euros). This capital increase was subscribed in full by Merlin Properties SOCIMI, S.A.

On 26 March 2018, the Board of Directors approved a reverse stock split, resulting in a decrease in the number of shares from 13,227,020,257 to 132,270,203 and an increase in the par value from 0.01 to 1 euro per share. In order for the total number of shares grouped to be multiple to that established in the exchange ratio, the voluntary amortization of 57 shares is approved prior to redenomination.

At 31 March 2018, the share capital of Testa Residencial, SOCIMI, S.A. amounted to 132,270 thousand euros, and was represented by 132,270,202 fully subscribed and paid ordinary shares of 1 euro par value each. All shares are of the same class and confer holders the same rights.

The significant shareholders of the Parent, with direct or indirect ownership interests at 31 March 2018, were as follows:

At 31 March 2018

	Shares			% of share capital
	Direct	Indirect	Total	
Banco Santander, S.A.	17,331,791	31,432,889	48,764,680	36.87%
Merlin Properties, SOCIMI S.A.	22,420,089	-	22,420,089	16.95%
Banco Bilbao Vizcaya Argentaria, S.A.	4,889,621	28,501,307	33,390,928	25.24%
Acciona Real Estate S.L.	26,454,040	-	26,454,040	20.00%
Other	1,240,465	-	1,240,465	0.94%

Issue premium

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the issue premium to increase capital and places no specific restrictions as to its use.

This reserve is unrestricted so long as its allocation does not lower the equity of the Parent to below the amount of share capital.

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6.2 Reserves and retained earnings

The detail of reserves and retained earnings at 31 March 2018 and 31 December 2017 is as follows:

	Thousands of euros	
	31.03.2018	31.12.2017
Legal reserve	3,203	3,203
Other reserves	(162,266)	(162,073)
Reserves in consolidated companies	25,824	25,824
Retained earnings	70,146	-
Total reserves	(63,093)	(133,046)

The distribution of profit for 2017, which amounted to 70,146 thousand euros and is recognised under "Retained earnings" in the accompanying condensed consolidated statement of financial position, is pending approval by the Annual General Meeting.

Legal reserve

Pursuant to article 274 of the Consolidated Spanish Limited Liability Companies Law, 10% of profit in each year must be transferred to the legal reserve until the balance of this reserve is at least 20% of share capital.

The legal reserve may not be distributed and if it is used to offset losses -only insofar as no other sufficient reserves are available for this purpose- it must be replenished with future profits.

At 31 March 2018, the Group had not attained the minimum level of the legal reserve stipulated in the Consolidated Spanish Limited Liability Companies Law.

Pursuant to the Real Estate Investment Trusts Law 11/2009, the legal reserve of the companies that have opted to avail themselves of the special tax regime established in the aforementioned law, must not exceed 20% of the share capital.

As mentioned in Notes 3 and 13 to the 2017 consolidated financial statements, under the terms of the shareholder agreement, Acciona Real Estate, S.L. is entitled to redeem the shares subscribed for in the context of the contribution referred to above in this Note if the Group fails to list its securities on a stock exchange before 21 September 2022. If that situation arises, the Parent must pay, in exchange for the redeemed shares, an amount equal to the percentage that those shares represent of the Group's EPRA NAV at the redemption date. Payment may be made, at the Parent's election, in cash or via the return of the net assets received in the capital increase subscribed by Acciona Real Estate, S.L. In the latter case, the difference to the Group's EPRA NAV at the redemption date would be settled in a larger or smaller amount of cash. In accordance with IAS 32, the Group recognises its obligations with Acciona Real Estate, S.L. by recording a financial liability equal to the present value of the amount to be redeemed, which at 31 March 2018 stood at 355,895 thousand euros (Note 8).

The Directors of the Parent consider it highly probable that the Group will list its shares on the stock exchange before 21 September 2022. Therefore, the option to redeem the shares by Acciona Real Estate, S.L. will expire and, as a result, the liability will immediately become equity.

Reserves in consolidated companies

The detail of reserves in consolidated companies at 31 March 2018 and 31 December 2017 is as follows:

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	Thousands of euros	
	31.03.2018	31.12.2017
Testa Alquileres Urbanos, S.L.U.	(66)	(66)
Valdgrand 6, S.A.U.	-	-
Compañía Urbanizadora del Coto, S.L.	-	-
Testa Residencial, SOCIMI, S.A.	25,890	25,890
	25,824	25,824

6.3 Non-controlling interests

The changes in "Non-controlling interests" in the three months ended 31 March 2018, together with the profit/(loss) attributable to non-controlling interests, were as follows:

	Thousands of euros
Balance at 31 December 2016	-
Non-controlling interests arising from the business combination with Acciona Real Estate, S.L.	732
2017 profit/(loss) attributable to non-controlling interests	40
Balance at 31 December 2017	772
Profit/(loss) for the three months ended 31 March 2018 attributable to non-controlling interests	2
Balance at 31 March 2018	774

The entire balance of "Non-controlling interests" in the consolidated statement of financial position at 31 March 2018 related to the minority shareholders (0,345%) of Compañía Urbanizadora del Coto, S.L.

6.4 Basic earnings per share

Basic earnings per share are calculated by dividing profit or loss for the period attributable to the Parent's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares.

The detail of the calculation of basic earnings per share is as follows:

	31.03.2018	31.03.2017
Profit/(loss) for the period attributable to: holders of equity instruments of the Parent (thousands of euros)	(104,261)	661
Weighted average number of shares outstanding (in thousands)	126,290	8,157,805
Basic earnings per share (euros)	(0,8256)	0,0081

The average number of ordinary shares outstanding is calculated, based on the new number of shares, once renamed (see Note 6.1), as follows (in thousands):

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	Number of shares	
	31.03.2018	31.03.2017
Ordinary shares at beginning of the period	125,863	46,766
Capital increases	6,407	52,218
Average effect of outstanding shares	(5,980)	(17,406)
Weighted average number of ordinary shares outstanding	126,290	81,578

Diluted

Diluted earnings per share are calculated by adjusting the profit or loss for the period attributable to holders of equity instruments of the Parent and the weighted average number of outstanding ordinary shares by all the dilutive effects inherent to the potential ordinary shares, i.e. as if all the potential dilutive ordinary shares had been converted.

At 31 March 2018, the Parent did not have different classes of potentially dilutive ordinary shares.

7. Non-current and current financial liabilities

7.1 Bank borrowings

The detail of non-current and current financial liabilities at 31 March 2018 and 31 December 2017 is as follows:

	Thousands of euros	
	31.03.2018	31.12.2017
Non-current:		
<i>Measured at amortised cost</i>		
Syndicated loan	350,000	350,000
Syndicated loan arrangement costs	(2,022)	(1,819)
Total syndicated loan	347,978	348,181
Mortgage loans	122,915	123,224
Arrangement costs	(826)	(860)
Total other loans	122,089	122,364
<i>At fair value</i>		
Derivative financial instruments	102	120
Total measured at fair value	102	120
Total non-current	470,169	470,665
Current:		
<i>Measured at amortised cost</i>		
Mortgage loans	2,238	2,238
Debt interest	375	301
Total amortised cost	2,613	2,539
Total current	2,613	2,539

For financial liabilities measured at amortised cost, the difference between the carrying amount and the fair value is not significant.

7.2 Loans

The detail of loans at 31 March 2018 and 31 December 2017 is as follows:

31 March 2018.

	Thousands of euros				
	Bank borrowings				
	Limit	Loan arrangement costs	31.03.2018		Current interest
			Non-current	Current	
Syndicated loan	800,000	(2,022)	350,000	-	263
Mortgage loans	125,153	(826)	122,915	2,238	112
Total	925,153	(2,848)	472,915	2,238	375

31 December 2017

	Thousands of euros				
	Bank borrowings				
	Limit	Debt arrangement costs	31.12.2017		Current interest
			Non-current	Current	
Syndicated loan	800,000	(1,819)	350,000	-	191
Mortgage loans	125,462	(860)	123,224	2,238	110
Total	925,462	(2,679)	473,224	2,238	301

Certain financing includes reporting obligations with respect to the separate and consolidated financial statements, and to budgets. Also, on a half-yearly basis, the Group must comply with certain hedging ratio commitments such as Loan to Value, the proportion existing between Group revenue and interest on the debt ("ICR"). At 31 March 2018, the Group complied with the financial ratios established in this agreement, and the directors consider that they will also be complied with at the end of 2018 and in the coming years.

Parent Company syndicated loan

On 20 December 2017, the Parent entered into a syndicated loan without a mortgage guarantee, in the amount of 800 million euros. This loan was earmarked to repay the Parent's former syndicated loan, amounting to 250 million euros, set to mature in May 2018, and to repay the syndicated mortgage loan taken out by the subsidiary Compañía Urbanizadora del Coto S.L., totalling 77 million euros, set to mature in September 2022. The main terms and conditions of this syndicated loan not secured by a mortgage are as follows:

- This loan comprises three tranches:
 - a) The first tranche consists of a bank loan with a corporate guarantee of 350 million euros, maturing in December 2022, with an interest rate tied to the Euribor + 120 basis points. The total amount of the first tranche is repaid on maturity and was earmarked in full to repay the syndicated loans of the Parent and of Compañía Urbanizadora del Coto S.L. At 31 March 2018, the first tranche was fully drawn down.

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- b) The second tranche consists of a bridge loan for 350 million euros, maturing in December 2019, with an initial cost of Euribor + 50 basis points. At 31 March 2018, the Parent had not drawn down this tranche.
- c) The third tranche is a revolving credit line, amounting to 100 million euros. This credit facility matures in December 2022, and accrues an interest rate of Euribor + 120 basis points, tied to the company's rating. This financing will be used for general corporate purposes. At 31 March 2018, the Parent had not made any drawdowns on this credit facility.

In addition, in the three months ended 31 March 2018, the Group included 66 thousand euros of debt arrangement costs in "Finance costs" in the accompanying condensed consolidated income statement for the three months ended 2018 related to the syndicated loan.

Mortgage loans

The Parent repaid 309 thousand euros of its mortgage loans in the first quarter of 2018. In addition, the Group included 52 thousand euros of debt arrangement costs in "Finance costs" in the accompanying condensed consolidated income statement for the three months ended 2018 related to mortgage loans.

Loan repayment dates

Details of the Group's loan repayment dates at 31 March 2018 are as follows:

	Thousands of euros		
	Mortgage loan	Syndicated loan	Total
2018	1,928	-	1,928
2019	2,238	-	2,238
2020	2,238	-	2,238
2021	2,238	-	2,238
2022	80,738	350,000	430,738
More than 5 years	35,773	-	35,773
	125,153	350,000	475,153

The balances of bank borrowings only reflect the amount drawn down.

In the three months ended 31 March 2018, the contractual conditions for the payment of the outstanding loans and all other contractual terms and conditions were met.

8. Other current and non-current liabilities

The detail of these items at 31 March 2018 and 31 December 2017 is as follows:

	Thousands of euros	
	31.03.2018	31.12.2017
<i>Non-current</i>		
Other financial liabilities	355,895	355,565
Provisions	320	320
Guarantees and deposits received	15,591	15,002
<i>Current</i>		
Provisions	-	1,019
Total	371,806	371,906

Other financial liabilities - Non-current

As mentioned in Notes 3 and 13 to the 2017 consolidated financial statements, the Parent must, at the election of Acciona Real Estate, S.L., carry out a capital reduction if the Parent's securities are not listed on the stock exchange before 21 September 2022. The redemption of shares will only concern those subscribed for by Acciona Real Estate, S.L. in 2017, and the amount of the capital reduction will be determined on the basis of the EPRA NAV at the capital reduction date. Settlement will be made, at the Parent's election, in cash or via the delivery of the assets received in the contribution made in 2017. In the latter case, the difference to the Group's EPRA NAV at the redemption date would be cash-settled.

Under prevailing accounting rules and standards, the Group has recognised a non-current liability arising from this obligation. In accordance with IAS 32, the liability was initially recognised at the present value of the estimated net value of the Group's assets, and was updated at 31 March 2018 based on the change in fair value.

The expense for the change in fair value in the three months ended 31 March 2018 amounted to 330 thousand euros, recognised under "Change in fair value of financial instruments" in the accompanying condensed consolidated income statement for the three months ended 31 March 2018.

To calculate fair value, the Group estimated the present EPRA NAV, taking the Group's net equity, adjusted for unrealised gains on concession projects and concession arrangements measured at market value. The assumptions used to determine the fair value of the Group's investment properties are described in Note 7 to the 2017 consolidated financial statements.

The Directors of the Parent consider it highly probable that the Group will list its shares on the stock exchange before 21 September 2022. Therefore, the option to redeem the shares by Acciona Real Estate, S.L. will expire and, as a result, the liability will immediately become equity.

"Guarantees and deposits received" primarily comprise the amounts deposited by lessees to secure leases, which will be reimbursed at the end of the lease term.

9. Trade and other payables

The breakdown of "Trade and other payables" at 31 March 2018 and 31 December 2017 is as follows:

	Thousands of euros	
	31.03.2018	31.12.2017
Trade and other payables:		
Payables to suppliers	651	811
Payables to related party suppliers	-	2,357
Other payables	4,661	567
Personnel (salaries payable)	231	591
Current tax liabilities	648	523
Other payables to public authorities	584	243
Advances from customers	5	
Total	6,780	5,092

The Parent's directors consider that the carrying amount of trade payables approximates their fair value.

"Other payables" includes 4,500 thousand euros of estimated costs incurred by the Group in the ongoing process for listing its shares on the stock exchange.

10. Revenue and expenses

10.1. Ordinary income

The distribution of revenue for the three months ended 31 March 2018 and 2017 is as follows:

	Thousands of euros	
	2018	2017
Rental income	17,898	8,352
Income from the rendering of services	4	442
Total revenue	17,902	8,794

a) Geographical segment reporting

The breakdown of rental income in the three months ended 31 March 2018 by geographic market is as follows:

Autonomous Community	Thousands of euros	%
Madrid	11,612	64.9%
Basque Country	998	5.6%
Catalonia	891	5.0%
Valencia	647	3.6%
Balearic Islands	615	3.4%
Navarre	524	2.9%
Castilla La Mancha	525	2.9%
Other	2,086	11.7%
Total	17,898	100%

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10.2 Personnel expenses

The breakdown of personnel expenses in the three months ended 31 March 2018 and 2017 is as follows:

	Thousands of euros	
	2018	2017
Wages, salaries and similar	(1,057)	(607)
Other employee welfare costs and taxes	(284)	(122)
Total personnel expenses	(1,341)	(729)

The average number of employees at Group companies for the three months ended 31 March 2018 was 78.

Long-term executive incentive plan and exit bonus

On 26 March 2018, the Company's majority shareholders notified the Parent's Board of Directors that an incentive plan, involving a share-based payment scheme for key executives and other employees, will be executed in the event of the Parent's initial public offering.

- The rest of key management personnel would receive shares in the three years after the Parent's IPO (at rates of 15%, 35% and 50%), with the amount receivable based on a percentage of their annual remuneration, being contingent its accrual on the IPO price compared with the Group's EPRA NAV at 31 March 2018 (adjusted for the Acciona Real Estate, S.A. repurchase right) and their remaining as Group employees at the delivery dates.
- The rest of the employees will receive a fixed amount of shares on the first anniversary of the IPO (subject to their continued employment with the Group).

The amount receivable for this incentive, based on the best estimate of the Parent's directors, will range from 1.6 million euros to a maximum of 5.1 million euros. The Group will recognise the plan, once it is formalised, in accordance with IFRS 2 Share-based Payment, recognising the expense during the accrual period (three years for key management personnel, one year for the rest of the employees) with a charge to equity. The incentive will be settled by the majority shareholders.

In addition, a proposal was made by the Board of Directors at the meeting to the Parent's Annual General Meeting for approval of a long-term incentive plan for certain Group directors, being the quantity received a percentage of its annual remuneration. This plan is for a five-year period and includes a measurement period for the first three years from the IPO.

Accrual of the incentive by directors is conditioned on an increase in shareholder returns measured based on an increase in the share price as well as the EPRA NAV equal to or greater than 18% during the measurement period and the director's continued employment with the Group at each of the settlement dates.

- Three months after the end of the measurement period, the directors will receive 50% of the incentive in cash,
- A year and three months after the end of the measurement period, the directors will receive 25% of the incentive in shares, and
- Two years and three months after the end of the measurement period, the directors will receive the remaining 25% of the incentive in shares.

If the minimum increase in the TSR is met, the amount receivable for this incentive, based on the best estimate of the Parent's directors, will range from 3.6 million euros to a maximum of 5.4 million euros. The Group will account the liquidable part in cash for the plan in accordance with the requirements of IAS 19 Employee Benefits, recognising the expense as incurred (3, 4 and 5 years), with a debit to liabilities. On the other hand, the part liquidated in shares will be recorded according to the requirements of IFRS 2 for agreements with share-based payments, recognizing the expense during the period of accrual thereof with a charge to equity.

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10.3 Other operating expenses

The detail of this item of the income statement for the three months ended 31 March 2018 and 2017 is as follows:

	Thousands of euros	
	2018	2017
Non-recoverable expenses on leased properties	3,957	2,807
General expenses		
Professional services	4,863	2,032
Lease of offices	43	23
Taxes other than income tax	233	461
Other	720	60
Provision for withdrawal from services agreement (Notes 6.1 and 11.1)	107,244	-
Losses, impairment, and changes in provisions	11	-
Total	117,071	5,383

11. Related party balances and transactions

The Group considers related parties to be, in addition to subsidiaries, associates and jointly-controlled entities, "key management personnel" of the Company (members of the Board of Directors and managers, and their close family members), and the entities over which key management personnel may exercise significant influence or control.

11.1 Related party transactions

The Group's transactions with related parties are all carried out at market prices. Transfer prices are adequately documented. Therefore, the Parent's directors consider that there are no significant risks that could give rise to any material future liabilities. The detail of transactions with related parties in the three months ended 31 March 2018 and 2017 is as follows:

Three months ended 31 March 2018

	Thousands of euros			
	Other operating expenses	Finance costs	Rental income	Income from the rendering of services
Merlin Properties, SOCIMI, S.A.	89,973	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	-
Banco Santander, S.A.	-	200	43	-
TOTAL	89,973	200	43	4

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Three months ended 31 March 2017

	Thousands of euros			
	Other operating expenses	Finance costs	Rental income	Income from the rendering of services
Merlin Properties, SOCIMI, S.A.	1,941	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	160	-	138
Banco Santander, S.A.	-	713	42	261
TOTAL	1,941	873	42	399

In 2016, the Parent entered into a services agreement with Merlin Properties, SOCIMI, S.A. to provide advisory, planning and strategic management services for businesses, assets and liabilities, in exchange for annual remuneration of 7.7 million euros plus VAT (reviewable annually by 1.5%).

On 19 January 2018, the agreement was terminated, with the Parent paying 89,721 thousand euros for its withdrawal (Note 6.1).

11.2 Balances with related parties

The detail of the balances with related parties at 31 March 2018 and 31 December 2017 is as follows:

31 March 2018.

	Thousands of euros				
	Current accounts and other payables to Group companies and associates	Payables to suppliers	Bank borrowings	Other liabilities (Notes 6 and 8)	Cash and cash equivalents
Merlin Properties, SOCIMI, S.A.	-	-	-	-	-
Acciona Real Estate, S.L. (Note 3)	5,400	-	-	355,895	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	-	4,877
Banco Santander, S.A.	-	-	56,016	-	36,267
TOTAL	5,400	-	56,016	335,895	41,144

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31 December 2017

	Thousands of euros				
	Current accounts and other payables to Group companies and associates	Payables to suppliers	Bank borrowings	Other liabilities (Notes 6 and 8)	Cash and cash equivalents
Merlin Properties, SOCIMI, S.A.	-	2,357	-	-	-
Acciona Real Estate, S.L. (Note 3)	5,400	-	-	355,565	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	-	25
Banco Santander, S.A.	-	-	56,016	-	55,405
TOTAL	5,400	2,357	56,016	335,565	55,430

Under the shareholder agreement entered into with Acciona Real Estate, S.L., the latter's contributions in 2017, after capitalisation of the Parent's commitment to one of its shareholders (Note 6), should not fall below 20% of the Group's value at the date of the contribution. As a result of the impact, mainly of the cash outflow related to non-deductible input VAT arising from the termination of the services agreement with Merlin Properties SOCIMI, S.A., the contributions made by Acciona Real Estate, S.L. were 5,400 thousand euros below this 20% threshold. Therefore, the Parent estimated that it must pay to Acciona Real Estate, S.L. an amount of 5,400 thousand euros, recognised under "Current accounts and other payables to Group companies and associates."

11.3 Remuneration of directors and senior management

Remuneration paid in the three months ended 31 March 2018 to members of the Board of Directors and senior management of Testa Residencial, SOCIMI, S.A., by item, was as follows (in thousands of euros):

	Salaries	Attendance fees	Other items	Pension plans	Insurance premiums (1)	Termination benefits	Share-based payments	Remuneration of individuals representing the Company (2)
Board of Directors and senior management	345	-	-	-	2	-	-	-

(1) Includes the amount paid for the civil liability insurance premium for damages caused by acts or omissions by directors, totalling 19 thousand euros.

(2) Includes the remuneration paid to individuals representing the Company on the Board of Directors of other entities.

At 31 March 2017 and 31 December 2017, the Parent had not granted any advances or loans to Board members or senior management.

At the date of authorisation for issue of the accompanying condensed consolidated interim financial statements for the three months ended 31 March 2018, the Parent's directors were represented by 10 men and 1 woman (31 December 2017: 9 men and 1 woman).

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11.4 Information regarding conflicts of interest involving directors

In the three months ended 31 March 2018, the members of the Board of Directors of Testa Residencial SOCIMI, S.A. had not informed other members of the Board of Directors of any direct or indirect conflict of interest that they, or their affiliates as defined in the Spanish Limited Liability Companies Law, may have with the Parent's interests.

12. Information on financial risk management

Financial risk factors

The Group's activities expose it to various types of financial risk: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the uncertainty of financial markets and aims to minimise the adverse effects of such risks on the financial profitability of the Group.

Risk management is undertaken by the Group's senior management in accordance with the policies approved by the Board of Directors. Senior management identifies, evaluates and mitigates financial risks in close collaboration with the Group's operating units. The Board of Directors issues the written global risk management policies and the policies for specific areas, such as those for covering market risk, interest rate risk and liquidity risk, and for investing cash surpluses.

Market risk

In light of current conditions in the property sector, the Group has established specific measures that it plans to adopt to minimise the impact of these factors on its financial position.

The application of these measures is dependent on the outcome of the sensitivity analyses that the Company performs periodically. These analyses take the following factors into consideration:

- The economic environment in which the Group performs its activity: The design of various economic scenarios with different key variables that can affect the Group (e.g. interest rates, share prices, occupancy rates of investment property, etc.). The identification of variables that are interconnected and their degree of connection.
- Time frame within which the assessment is made: The time frame for the analysis and the potential deviations shall be taken into account.

Credit risk

Credit risk is defined as the risk of financial loss to which the Group is exposed if a customer or counterparty defaults on its contractual obligations.

As a general rule, the Group places cash and cash equivalents with financial institutions with high credit ratings.

The Group has policies in place to limit customer credit risk and it manages its exposure to credit recovery risk as part of its normal activities through, among others, guarantees and securities.

The Group has formal procedures in place to detect impairment of trade receivables. By means of these procedures and individual analyses by business areas, delays in payment can be detected and methods for estimating the impairment loss can be established.

Itemised below are the estimated maturities of the Group's financial assets on the consolidated statement of financial position at 31 March 2018 and 31 December 2017. The attached tables break down the maturities of the financial assets at 31 March 2018 and 31 December 2017:

At 31 March 2018

	Thousands of euros				
	Less than 3 months	More than 3 and less than 6 months	More than 6 months and less than 1 year	Over 1 year	Total
Guarantees and deposits	-	-	-	5,470	5,470
Trade and other receivables	2,690	-	-	-	2,690
Accruals and prepayments	-	-	311	-	311
Cash and cash equivalents	57,990	-	-	-	57,990
Total	60,680	-	311	5,470	66,461

At 31 December 2017

	Thousands of euros				
	Less than 3 months	More than 3 and less than 6 months	More than 6 months and less than 1 year	Over 1 year	Total
Guarantees and deposits	-	-	-	5,074	5,074
Trade and other receivables	1,432	-	-	-	1,432
Other current financial assets	-	-	3	-	3
Cash and cash equivalents	71,158	-	-	-	71,158
Total	72,590	-	3	5,074	77,667

Cash and cash equivalents

The Group has cash and cash equivalents amounting to 57,990 thousand euros, which represent its maximum exposure to the risks of these assets.

Cash and cash equivalents are deposited with banks and financial institutions.

Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Group applies a prudent liquidity risk management policy, based on having sufficient liquidity to meet its obligations when they fall due, in both normal and stressed conditions, without incurring unacceptable losses or placing the Group's reputation at risk.

Itemised below is the Group's exposure to liquidity risk at 31 March 2018 and 31 December 2017. The tables break down financial liabilities by remaining contractual term to maturity.

At 31 March 2018

	Thousands of euros				
	Less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	Total
Financial liabilities to banks	-	271	2,342	470,169	472,780
Other non-current liabilities – guarantees and deposits	-	-	-	15,591	15,591
Other non-current liabilities	-	-	-	355,895	355,895
Trade and other payables (ex public authorities)	5,864	-	-	-	5,864
Accruals and prepayments	-	-	2,522	-	2,522
Total	5,864	271	4,864	841,655	852,652

At 31 December 2017

	Thousands of euros				
	Less than 1 month	1 to 3 months	3 months to 1 year	Over 1 year	Total
Financial liabilities to banks	301	1,000	1,238	470,665	473,204
Other non-current liabilities – guarantees and deposits	-	-	-	15,002	15,002
Other non-current liabilities	-	-	-	355,565	355,565
Trade and other payables (ex public authorities)	4,326	-	-	-	4,326
Total	4,627	1,000	1,238	841,232	848,097

Solvency risk

The Group's net bank borrowings at 31 March 2018 stood at 417,025 thousand euros, as shown in the table below:

	Thousands of euros
Gross bank borrowings:	
Syndicated loan	350,000
Mortgage loans	124,640
Accrued interest	375
Cash and cash equivalents	(57,990)
Net bank borrowings	417,025

Foreign currency risk

The Group is not exposed to exchange rate fluctuations as all its transactions are carried out in its functional currency.

Tax risk

As mentioned in Note 1, the Parent will adhere to the special tax regime for REITs. Pursuant to Article 6 of Law 11/2009 of 26 October 2009, amended by Law 16/2012 of 27 December, companies that have opted for the special tax regime are required to distribute profit for the year to the shareholders in the form of dividends, once all obligations under commercial law have been met. The distribution must be approved within six months of each year-end and paid in the month following the date of the distribution resolution.

TESTA RESIDENCIAL, SOCIMI, S.A. AND SUBSIDIARIES

As established by Transitional Provision One of Real Estate Investment Trust Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, the Company may opt to apply the special tax regime under the terms and conditions established in Article 8 of Law 11/2009, of 26 October, even if it does not meet the requirements therein, provided that such requirements are met within two years after the date of the option to apply that regime.

At 31 March 2018, the Parent does not meet the requirement of its shares being listed on the stock exchange, the deadline for which is 22 September 2018. The Board of Directors, at its meeting of 30 November 2017, approved the initiation of the process for listing the Parent's shares on the continuous market in the coming months. For this reason, and considering the support of the shareholders, the Parent's directors consider that the listing requirement, along with the other requirements for applying the special tax regime, will be met pursuant to applicable laws, and that the Parent Company will remain subject to the REIT tax regime.

13. Events after the reporting period

At the date of authorisation for issue of the accompanying condensed consolidated interim financial statements for the three months ended 31 March 2018, no significant events have with a material impact on the Group have arisen since the reporting date that have not been discussed in the previous notes.

14. Explanation added for translation to English

These interim condensed consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 2-1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Appendix I

Subsidiaries at 31 March 2018

Company	Registered offices / activity	Equity interest	Thousands of euros								Consolidation method	Auditor
			Share capital	Profit/(loss)		Other equity	Total equity	Dividends received	Carrying amount			
				Operating	Net				Cost	Impairment		
Compañía Urbanizadora del Coto, S.L.	The acquisition and development of property for subsequent rental / Paseo de la Castellana 257, Madrid	99.66%	15,315	983	733	210,742	226,790	-	290,040	-	Full consolidation	Deloitte, S.L.
Testa Alquileres Urbanos, S.L.U.	The acquisition and development of property for subsequent rental / Paseo de la Castellana 257, Madrid	100%	55,087	384	384	8,780	64,251	-	132,137	-	Full consolidation	Deloitte, S.L.
Valgrand 6, S.A.U.	The acquisition and development of property for subsequent rental / Paseo de la Castellana 257, Madrid	100%	10,013	13	13	991	11,017	-	12,266	(1,201)	Full consolidation	N/A

TESTA RESIDENCIAL, SOCIMI, S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements and Directors' Report for the
three months ended 31 March 2018. 33 of 34

TESTA RESIDENCIAL SOCIMI, S.A. and Subsidiaries

**Authorisation for issue of the condensed consolidated interim financial statements and directors' report
for the three months ended 31 March 2018**

The directors of TESTA RESIDENCIAL, SOCIMI, S.A., having assembled on 26th April 2018, hereby authorise for issue the condensed consolidated interim financial statements and directors' report for the three months ended 31 March 2018. The condensed interim consolidated financial statements consist of the accompanying documents preceding this certificate.

In Madrid at 16th April 2018

Ignacio Moreno Martínez (Chairman)

Miguel Oñate Rino (Deputy Chairman)

Wolfgang Beck (Chief Executive Officer)

Javier Alarcó Canosa

Merlin Properties, SOCIMI, S.A., represented by
Fernando Rodríguez-Avial Llardent

Finanzas y Cartera Uno, S.A., represented by Ms.
María Isabel Antúnez Cid

Carlos Manzano Cuesta

Altamira Santander Real Estate, S.A., represented
by Jaime Rodríguez Andrade

Cesáreo Rey-Baltar Oramas

José María Xercavins Lluch

Antonio Hernández Mancha

Lucas Osorio Iturmendi

Secretary to the Board of Directors

**ANNEX IV – CONSOLIDATED FINANCIAL STATEMENTS AND 2017 AND 2016 INDIVIDUAL
FINANCIAL STATEMENTS**

**Testa Residencial
SOCIMI, S.A. y
Sociedades
Dependientes**

Cuentas Anuales Consolidadas del
ejercicio terminado el 31 de
diciembre de 2017 e Informe de
Gestión Consolidado, junto con el
Informe de Auditoría Independiente

INFORME DE AUDITORÍA DE CUENTAS ANUALES CONSOLIDADAS EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de Testa Residencial SOCIMI, S.A.:

Opinión

Hemos auditado las cuentas anuales consolidadas de Testa Residencial SOCIMI, S.A. (la Sociedad dominante) y sus sociedades dependientes (el Grupo), que comprenden el estado de situación financiera a 31 de diciembre de 2017, la cuenta de resultados, el estado del resultado global, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria, todos ellos consolidados, correspondientes al ejercicio 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 2017, así como de sus resultados y flujos de efectivo, todos ellos consolidados, correspondientes al ejercicio terminado en dicha fecha, de conformidad con las Normas Internacionales de Información Financiera, adoptadas por la Unión Europea (NIIF-UE), y demás disposiciones del marco normativo de información financiera que resultan de aplicación en España.

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 Testa Residencial SOCIMI, S.A. y sociedades dependientes gestiona una cartera de activos inmobiliarios de naturaleza residencial para su arrendamiento situados en España. Las inversiones inmobiliarias se presentan a su valor razonable a la fecha de cierre del ejercicio y no son objeto de amortización. Al 31 de diciembre de 2017, las inversiones inmobiliarias estaban valoradas en 2.106 millones de euros.

El Grupo Testa Residencial SOCIMI, S.A. y sociedades dependientes periódicamente utiliza un experto independiente para determinar el valor razonable de sus activos inmobiliarios. Dicho experto tiene experiencia sustancial en el mercado en el cual opera el Grupo y utiliza metodologías y estándares de valoración ampliamente usados en el mercado.

La valoración de las inversiones inmobiliarias representa uno de los aspectos más relevantes de la auditoría, dado que requiere el uso de estimaciones con un grado de incertidumbre significativa. En particular el método de valoración generalmente aplicado a los activos de patrimonio en renta, es el de "Descuento de Flujos de Caja", que requiere realizar estimaciones sobre:

- los ingresos netos futuros de cada propiedad en base a la información histórica disponible y estudios de mercado
- tasa interna de retorno o coste de oportunidad usada en la actualización
- valor residual del activo al final del período de proyección
- tasa de salida "exit yield"

Procedimientos aplicados en la auditoría

Nuestros procedimientos de auditoría han incluido, entre otros, la revisión del diseño e implementación de los controles relevantes que mitigan los riesgos asociados al proceso de valoración de inversiones inmobiliarias, así como pruebas de verificación respecto a que los citados controles operan eficazmente.

Hemos obtenido los informes de valoración del experto contratado por el Grupo para la valoración de la totalidad de la cartera inmobiliaria, evaluado la competencia, capacidad y objetividad del mismo, así como la adecuación de su trabajo para que sea utilizado como evidencia de auditoría. En este sentido, con la colaboración de nuestros expertos internos en valoración hemos:

- analizado y concluido sobre la razonabilidad de los procedimientos y metodología de valoración utilizada por los expertos contratados por la Dirección del Grupo,
- sobre una muestra de activos elegida en base selectiva, hemos desarrollado una valoración independiente tomando en consideración la información disponible de la industria y las transacciones de activos inmobiliarios similares a la cartera de activos inmobiliarios en propiedad del Grupo,
- hemos evaluado conjuntamente con nuestros expertos internos los aspectos con mayor riesgo, incluyendo las tasas de ocupación y los rendimientos esperados de los activos inmobiliarios, y
- nos hemos reunido con los expertos contratados por la

Valoración de las Inversiones Inmobiliarias

Descripción

Adicionalmente pequeñas variaciones porcentuales en las asunciones de las valoraciones de los activos inmobiliarios pueden dar lugar a ajustes o reclasificaciones significativas.

Procedimientos aplicados en la auditoría

Dirección del Grupo para contrastar los resultados de nuestro trabajo y obtener las explicaciones necesarias.

También hemos analizado la idoneidad de los desgloses realizados por el Grupo en relación a estos aspectos, que se incluyen en la nota 7 de las cuentas anuales consolidadas del ejercicio.

Párrafo de énfasis

Llamamos la atención sobre el contenido de la nota 2.2 de la memoria consolidada adjunta, en el que se indica la conclusión que el Grupo ha alcanzado respecto al tratamiento contable de la integración de los negocios residenciales de Metrovacesa, S.A. y de Testa Residencial SOCIMI, S.A. acontecida en el ejercicio 2016. Nuestra opinión no ha sido modificada en relación con esta cuestión.

Otra información: Informe de gestión consolidado

La otra información comprende exclusivamente el informe de gestión consolidado del ejercicio 2017, cuya formulación es responsabilidad de los administradores 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 2017 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad de los Administradores y de la Comisión de Auditoría de la Sociedad Dominante en relación con las cuentas anuales consolidadas

Los Administradores de la Sociedad Dominante son responsables 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 las NIIF-UE y demás disposiciones del marco normativo de información financiera aplicable al Grupo en España, 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, los Administradores de la Sociedad Dominante son responsables de la valoración de la capacidad del Grupo para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si los citados administradores tienen intención de liquidar el Grupo o de cesar sus operaciones, o bien no exista otra alternativa realista.

La Comisión de Auditoría de la Sociedad Dominante es responsable de la supervisión del proceso de elaboración y presentación de las cuentas anuales consolidadas.

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.

En el Anexo I de este informe de auditoría se incluye una descripción más detallada de nuestras responsabilidades en relación con la auditoría de las cuentas anuales consolidadas.

DELOITTE, S.L.
Inscrita en el R.O.A.C nº S0692

Antonio Sánchez-Covisa Martín-González
Inscrito en el R.O.A.C nº 21251

26 de marzo de 2018



DELOITTE, S.L.

Año 2018 Nº 01/18/00265
SELLO CORPORATIVO: 96,00 EUR

Informe de auditoría de cuentas sujeto
a la normativa de auditoría de cuentas
española o internacional

Anexo I de nuestro informe de auditoría

Adicionalmente a lo incluido en nuestro informe de auditoría, en este Anexo incluimos nuestras responsabilidades respecto a la auditoría de las cuentas anuales consolidadas.

Responsabilidades del auditor en relación con la auditoría de 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 los administradores de la Sociedad dominante.
- Concluimos sobre si es adecuada la utilización, por los administradores 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 la comisión de auditoría 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 a la comisión de auditoría 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.

TESTA RESIDENCIAL, SOCIMI, S.A. y Sociedades Dependientes

Cuentas Anuales Consolidadas del ejercicio
terminado el 31 de diciembre de 2017
elaboradas conforme a las Normas
Internacionales de Información Financiera (NIIF)
adoptadas por la Unión Europea e
Informe de Gestión Consolidado



**TESTA RESIDENCIAL, SOCIMI, S.A.
Y SOCIEDADES DEPENDIENTES**

ESTADO DE SITUACIÓN FINANCIERA CONSOLIDADO AL 31 DE DICIEMBRE DE 2017
(Miles de euros)

ACTIVO	Notas	31/12/2017	31/12/2016	PATRIMONIO NETO Y PASIVO	Notas	31/12/2017	31/12/2016
ACTIVO NO CORRIENTE:				PATRIMONIO NETO:	Nota 13		
Proyectos concesionales	Nota 6	156.343	159.376	Capital suscrito		125.863	46.766
Otros activos intangibles	Nota 6	99	34	Prima de emisión		1.332.879	411.032
Inmovilizado material		70	-	Reservas	Nota 13.2	(133.046)	192.295
Inversiones inmobiliarias	Nota 7	2.106.079	912.304	Resultado negativo de ejercicios anteriores		(1.754)	-
Inversiones financieras no corrientes -			7.401	Resultado del ejercicio atribuible a la Sociedad Dominante		70.146	24.781
Derechos de cobro, Acuerdo de concesión	Nota 8	9.812	7.401	Ajustes por cambios de valor		(336)	(489)
Otros activos financieros	Nota 10	4.738	3.587	Patrimonio neto atribuible a la Sociedad Dominante		1.393.752	674.385
Activos por impuesto diferido	Nota 17.3	5.074	3.814	Socios Externos		772	-
Total activo no corriente		11.083	286	Total patrimonio neto		1.394.524	674.385
		2.283.486	1.079.411				
				PASIVO NO CORRIENTE:	Nota 15		
				Provisiones		320	1.410
				Pasivos financieros no corrientes -		841.232	356.099
				Deudas a largo plazo con entidades de crédito	Nota 14	470.545	347.911
				Derivados	Nota 14	120	940
				Otros pasivos no corrientes	Nota 15	370.567	7.248
				Pasivos por impuesto diferido	Nota 17.4	105.953	60.649
				Total pasivo no corriente		947.505	418.158
ACTIVO CORRIENTE:				PASIVO CORRIENTE:	Nota 15		
Deudores comerciales y otras cuentas por cobrar	Nota 11	1.432	2.452	Provisiones		1.019	1
Inversiones en vinculadas a corto plazo	Nota 20.2		203	Pasivos financieros corrientes -		2.539	12.633
Otros activos financieros corrientes				Deudas a corto plazo con entidades de crédito	Nota 14	2.539	12.633
Otros activos corrientes				Deudas con empresas vinculadas a corto plazo	Nota 20.2	5.400	
Efectivo y otros activos líquidos equivalentes	Nota 12	3	666	Acreedores comerciales y otras cuentas a pagar -	Nota 16	5.092	6.380
Total activo corriente		71.158	28.801	Proveedores		3.168	4.321
		72.593	32.146	Pasivos por impuesto corriente	Nota 17.1	523	107
				Otras deudas con las Administraciones Públicas	Nota 17.1	243	317
				Otros acreedores		1.158	1.635
TOTAL ACTIVO		2.356.079	1.111.557	TOTAL PASIVO CORRIENTE		14.050	19.014
				TOTAL PATRIMONIO NETO Y PASIVO		2.356.079	1.111.557

Las Notas 1 a 26 descritas en la Memoria consolidada adjunta y el Anexo I forman parte integrante del estado de situación financiera consolidado al 31 de diciembre de 2017.

**TESTA RESIDENCIAL, SOCIMI, S.A.
Y SOCIEDADES DEPENDIENTES**

**CUENTA DE RESULTADOS CONSOLIDADA
DEL EJERCICIO 2017
(Miles de euros)**

	Notas	31/12/2017	31/12/2016
OPERACIONES CONTINUADAS:			
Importe neto de la cifra de negocios	Nota 19.1	52.943	9.586
Otros ingresos de explotación		141	3
Gastos de personal	Nota 19.2	(3.214)	(2.000)
Otros gastos de explotación	Nota 19.3	(25.023)	(4.733)
Dotación a la amortización		(3.145)	(810)
Resultado por enajenación de inmovilizado	Nota 7	286	163
Variación de valor razonable en inversiones inmobiliarias	Nota 7	65.209	23.953
RESULTADO DE EXPLOTACIÓN		87.197	26.162
Ingreso financiero		165	1
Gastos financieros	Nota 19.4	(11.338)	(1.141)
Variación de valor razonable en instrumentos financieros		(5.542)	-
RESULTADO ANTES DE IMPUESTOS		70.482	25.022
Impuesto sobre Sociedades	Nota 17.2	(296)	(241)
RESULTADO DEL EJERCICIO PROCEDENTE DE OPERACIONES CONTINUADAS		70.186	24.781
Atribuible a accionistas de la Sociedad Dominante		70.146	24.781
Atribuible a socios externos		40	-
RESULTADO BÁSICO POR ACCIÓN (en euros):	Nota 13.4	0,0076	0,0053
RESULTADO POR ACCIÓN DILUIDAS (en euros):		0,0076	0,0053

Las Notas 1 a 26 descritas en la Memoria consolidada adjunta y el Anexo I forman parte integrante de la cuenta de resultados consolidada del ejercicio 2017.

**TESTA RESIDENCIAL, SOCIMI, S.A.
Y SOCIEDADES DEPENDIENTES**

ESTADO DEL RESULTADO GLOBAL CONSOLIDADO DEL EJERCICIO 2017
(Miles de euros)

	31/12/2017	31/12/2016
RESULTADO DE LA CUENTA DE RESULTADOS (I)	70.186	24.781
OTRO RESULTADO GLOBAL:		
Ingresos y gastos imputados directamente en el patrimonio neto-		
Por cobertura de flujos de efectivo	414	-
TOTAL RESULTADO GLOBAL IMPUTADO DIRECTAMENTE EN EL PATRIMONIO NETO (II)	414	-
Transferencias a la cuenta de resultados		
Por cobertura de flujos de efectivo	(261)	-
TOTAL TRANSFERENCIAS A LA CUENTA DE RESULTADOS (III)	(261)	-
RESULTADO GLOBAL TOTAL (I+II+III)	70.339	24.781
Atribuible a accionistas de la Sociedad Dominante	70.299	24.781
Atribuible a socios externos	40	-

Las Notas 1 a 26 descritas en la Memoria consolidada adjunta y el Anexo I forman parte integrante del estado del resultado global consolidado del ejercicio 2017

**TESTA RESIDENCIAL, SOCIMI, S.A.
Y SOCIEDADES DEPENDIENTES**

ESTADO DE CAMBIOS EN EL PATRIMONIO NETO CONSOLIDADO DEL EJERCICIO 2017

(Miles de euros)

	Capital social	Prima de emisión	Reservas	Resultado de ejercicios anteriores	Resultado del ejercicio	Ajustes por cambios de valor	Patrimonio atribuido a la Sociedad Dominante	Socios externos	Total patrimonio neto
Saldo inicial del ejercicio 2016	46.766	411.032	192.295	-	-	(489)	649.604	-	649.604
Resultado Global Consolidado	-	-	-	-	24.781	-	24.781	-	24.781
Saldo al 31 de diciembre de 2016	46.766	411.032	192.295	-	24.781	(489)	674.385	-	674.385
Resultado Global Consolidado	-	-	-	-	70.146	153	70.299	40	70.339
Ampliaciones de capital (Notas 3 y 13)	52.643	612.477	(2.115)	-	-	-	663.005	-	663.005
Combinaciones de negocios (Notas 3, 13 y 15)	26.454	309.370	(349.761)	-	-	(1.938)	(15.875)	732	(15.143)
Aplicación del resultado del ejercicio 2016	-	-	26.535	(1.754)	(24.781)	-	-	-	-
Otros movimientos	-	-	-	-	-	1.938	1.938	-	1.938
Saldo al 31 de diciembre de 2017	125.863	1.332.879	(133.046)	(1.754)	70.146	(336)	1.393.752	772	1.394.524

Las Notas 1 a 26 descritas en la Memoria consolidada adjunta y el Anexo I forman parte integrante del estado de cambios en el patrimonio neto consolidado del ejercicio 2017.

TESTA RESIDENCIAL, SOCIMI, S.A. Y SOCIEDADES DEPENDIENTES

ESTADO DE FLUJOS DE EFECTIVO CONSOLIDADO DEL EJERCICIO 2017

(Miles de euros)

	Notas	31/12/2017	31/12/2016
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE EXPLOTACIÓN:		56.070	(538)
Beneficio del ejercicio antes de impuestos		70.482	25.022
Ajustes al resultado-		(46.315)	(20.720)
Amortización del inmovilizado	Nota 6	3.145	810
Variación de valor razonable de las inversiones inmobiliarias	Nota 7	(65.209)	(23.953)
Correcciones valorativas por deterioro	Notas 8 y 11	300	65
Variación de provisiones de riesgos y gastos		1.019	1.170
Resultados por bajas y enajenaciones de inmovilizado	Nota 7	(286)	(163)
Ingresos financieros		(165)	(1)
Gastos financieros		11.338	1.141
Variación de valor razonable de instrumentos financieros		5.542	-
Otros ingresos y gastos		(1.999)	211
Cambios en el capital corriente-		3.930	(4.458)
Deudores y otras cuentas a cobrar		(918)	(46)
Acreedores y otras cuentas a pagar		(3.069)	(4.766)
Otros activos y pasivos		7.917	354
Otros flujos de efectivo de las actividades de explotación-		27.973	(382)
Pagos de intereses		(11.784)	(1.141)
Cobros por intereses		165	1
Pagos por Impuesto sobre Beneficios	Nota 17.1	(114)	(133)
Otros cobros (pagos)	Nota 3	39.706	891
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE INVERSIÓN:		(49.121)	4.687
Pagos por inversiones-		(53.492)	-
Inversiones inmobiliarias		(53.960)	-
Inmovilizaciones materiales		(99)	-
Activos intangibles	Nota 6	(148)	-
Activos financieros		715	-
Cobros por desinversiones-		4.371	4.687
Inversiones inmobiliarias	Nota 7	4.371	4.687
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE FINANCIACIÓN:		35.408	(463)
Cobros y pagos por instrumentos de patrimonio-		(2.115)	-
Pago ampliaciones de capital		(2.115)	-
Cobros y pagos por instrumentos de pasivo financiero-		37.493	(463)
Emisión de deudas con entidades de crédito		377.000	-
Devolución de deudas con entidades de crédito		(339.102)	(463)
Devolución de otras deudas		(405)	-
Ampliaciones de Capital	Nota 13	30	-
AUMENTO/DISMINUCIÓN NETA DEL EFECTIVO O EQUIVALENTES		42.357	3.686
Efectivo o equivalentes al comienzo del ejercicio		28.801	25.115
Efectivo o equivalentes al final del ejercicio		71.158	28.801

Las Notas 1 a 26 descritas en la Memoria adjunta y el Anexo I forman parte integrante del estado de flujos de efectivo consolidado del ejercicio 2017

TESTA RESIDENCIAL, SOCIMI, S.A. y Sociedades Dependientes

**Memoria Consolidada del ejercicio
terminado el 31 de diciembre de 2017**

1. Naturaleza y actividad del Grupo

Testa Residencial, SOCIMI, S.A. (en adelante, la Sociedad Dominante), se constituyó como Sociedad Anónima y bajo la denominación social Vallehermoso Patrimonio, S.A., en Madrid, el 4 de enero de 2001, ante el Notario D. José Aristónico García Sánchez, por un período de tiempo indefinido.

Con fecha 24 de junio de 2005 cambió su denominación social de Vallehermoso Patrimonio, S.A. a Testa Residencial, S.L.U.

Con fecha 7 de abril de 2006 el Socio Único de Testa Residencial, S.L.U., Testa Inmuebles en Renta, S.A., formalizó mediante escritura pública ante el Notario de Madrid D. José Aristónico García Sánchez, y con número de su protocolo 836/2006, la aportación por parte del Socio Único de la rama de actividad de arrendamiento de viviendas situadas en territorio español, conforme a la decisión del Consejo de Administración de Testa Inmuebles en Renta, S.A. de fecha 20 de diciembre de 2005.

Con fecha 8 de junio de 2015, Merlin Properties, SOCIMI, S.A. y el Socio Único de Testa Residencial, S.L.U. (Testa Inmuebles en Renta SOCIMI, S.A.) formalizaron un acuerdo vinculante para la adquisición por parte de Merlin Properties, SOCIMI, S.A. de una participación mayoritaria (99,9%) en el capital social de Testa Inmuebles en Renta SOCIMI, S.A. A lo largo del ejercicio 2016, Merlin Properties, SOCIMI, S.A. se convirtió en la sociedad dominante del Grupo Testa Inmuebles en Renta SOCIMI, S.A. y sus sociedades dependientes, en el cual se integraba Testa Residencial, S.L.U.

Con fecha 15 de septiembre de 2016, tuvo lugar la integración entre el negocio residencial de Merlin Properties, SOCIMI, S.A. (Testa Residencial, S.L.U.) y el negocio residencial de Metrovacesa, S.A., por el que este último adquirió el control sobre Testa Residencial, S.L.U., si bien fue esta última entidad jurídica la que subsistió mercantilmente (véase Nota 3).

El 22 de septiembre de 2016 la Junta General de Accionistas solicitó la incorporación de la Sociedad Dominante al Régimen Fiscal SOCIMI, de aplicación a partir del 1 de enero de 2016 modificando su denominación social de Testa Residencial, S.A.U. a Testa Residencial, SOCIMI, S.A. La Sociedad Dominante con C.I.F. A82865890 se encuentra legalmente inscrita en el Registro Mercantil de Madrid.

La Sociedad Dominante desde el 23 de febrero de 2017 tiene su domicilio social en Paseo de la Castellana, 257 en Madrid, anteriormente su domicilio social se encontraba en la calle Ventura Rodríguez, 7, Madrid.

El objeto social de la Sociedad Dominante consiste en el arrendamiento de viviendas situadas en territorio español que hayan sido construidas, promovidas o adquiridas.

Testa Residencial, SOCIMI, S.A. y Sociedades Dependientes (en adelante "el Grupo"), tienen como actividad principal la adquisición y gestión (mediante arrendamiento a terceros) de viviendas, pudiendo invertir en menor medida en otros activos en renta.

El régimen fiscal de la Sociedad Dominante se encuentra regulado 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 (SOCIMI). El artículo 3 establece los requisitos de inversión de este tipo de Sociedades, a saber:



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 importe 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 procedentes 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 la mencionada 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 entidades a que se refiere el apartado 1 del artículo 2 de la citada Ley.

3. Los bienes inmuebles que integren el activo de la SOCIMI 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 SOCIMI 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 la Ley, siempre que a dicha fecha el bien se encontrara arrendado u ofrecido en arrendamiento. De lo contrario, se estará sujeto 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 la mencionada Ley, deberán mantenerse en el activo de la SOCIMI 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 la citada 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 supondría que la Sociedad Dominante pasara a tributar por el régimen general del Impuesto sobre Sociedades a partir del propio período impositivo en que se manifieste dicho incumplimiento, salvo que se subsane en el ejercicio siguiente. Además, la Sociedad Dominante estará obligada a ingresar, junto con la cuota de dicho período 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 períodos impositivos anteriores, sin perjuicio de los intereses de demora, recargos y sanciones que, en su caso, resulten procedentes.

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

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de dos meses desde la fecha de distribución del dividendo.

Las cuentas anuales individuales de Testa Residencial, SOCIMI, S.A. del ejercicio 2016, formuladas por sus Administradores, se aprobaron por la Junta General de Accionistas celebrada el 30 de junio de 2017, mientras que las cuentas anuales individuales de la otra sociedad que componía el Grupo, Metrovacesa Alquileres Urbanos S.L.U. (actualmente "Testa Alquileres Urbanos S.L.U.") del ejercicio 2016, formulada por su Administrador Único correspondiente, fueron aprobadas por el Socio Único con fecha 30 de junio de 2017.

Estas cuentas anuales consolidadas, que han sido formuladas por el Consejo de Administración de Testa Residencial, SOCIMI, S.A. en su reunión del 26 de marzo de 2018, se someterán, al igual que las de las sociedades participadas, a la aprobación de las respectivas Juntas Generales Ordinarias de Accionistas, estimándose que serán aprobadas sin ninguna modificación.

Dadas las actividades a las que actualmente se dedica el Grupo, el mismo no tiene responsabilidades, gastos, activos, ni provisiones y 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 en las presentes cuentas anuales consolidadas respecto a información de cuestiones medioambientales.

2. Bases de presentación de las cuentas anuales consolidadas y principios de consolidación

2.1 Marco normativo

El marco normativo de información financiera que resulta de aplicación al Grupo es el establecido en:

- Código de Comercio y la restante legislación mercantil,
- Normas Internacionales de Información Financiera (NIIF) adoptadas por la Unión Europea conforme a lo dispuesto por el Reglamento (CE) nº 1606/2002 del Parlamento Europeo y por la Ley 62/2003, de 30 de diciembre, de medidas fiscales, administrativas y de orden social.
- Ley 11/2009, de 26 de octubre, modificada por la Ley 16/2012, de 27 de diciembre, por el que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI) y la restante legislación mercantil.
- El resto de la normativa contable española que resulte de aplicación.

2.2 Bases de presentación de las cuentas anuales consolidadas

Las cuentas anuales consolidadas del ejercicio 2017 se han obtenido a partir de los registros contables de la Sociedad Dominante y de las sociedades incluidas en el perímetro de consolidación y han sido preparadas de acuerdo con el marco normativo de información financiera detallado en la Nota 2.1 anterior, de forma que muestran la imagen fiel del patrimonio consolidado y de la situación financiera consolidada del Grupo al 31 de diciembre de 2017 y de los resultados consolidados de sus operaciones, de los cambios en el patrimonio neto consolidado y de los flujos de efectivo consolidados que se han producido en el Grupo durante el ejercicio terminado en dicha fecha.

Tal y como se indica en la Nota 3 en relación con el acuerdo de integración de los negocios residenciales de Metrovacesa, S.A. y de Testa Residencial, SOCIMI, S.A. acontecida en el ejercicio 2016, los Administradores de la Sociedad Dominante han estimado que, puesto que los accionistas de Metrovacesa, S.A. adquirieron la mayoría de los derechos de voto sobre Testa Residencial SOCIMI, S.A. una vez completada la integración, que dicha transacción se configura, por analogía contable, como una adquisición inversa en la que el negocio residencial de Metrovacesa es la entidad adquirente.

Para alcanzar dicha conclusión el Grupo se ha basado, fundamentalmente, en la sustancia económica que subyace en la transacción, considerando que el negocio residencial de Metrovacesa puede ser considerado como una reporting entity. No obstante, y teniendo en cuenta que la mencionada transacción no está específicamente regulada en la normativa NIIF-UE, los Administradores en la formación de su juicio también han aplicado lo establecido en los párrafos 10 y 12 de la NIC 8, considerando en este sentido y por analogía, los pronunciamientos emitidos por otras instituciones emisoras de normas que emplean un marco conceptual similar a las NIIF. En este caso la Norma de Registro y Valoración 19.2.1 del Plan General de Contabilidad, en la que se indica que "empresa adquirente es aquella que obtiene el control sobre el negocio o negocios adquiridos. A los efectos de la presente norma se considerará también empresa adquirente a la parte de una empresa, constitutiva de un negocio, que

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como consecuencia de la combinación se escinde de la empresa en la que se integraba y obtiene el control sobre otro u otros negocios”.

El impacto máximo sobre los estados financieros consolidados del ejercicio 2017 que podría existir al aplicar criterios alternativos al aplicado por parte del Grupo en relación con la adquisición descrita en la Nota 3 no habría sido significativo. En este sentido, el impacto máximo que los Administradores de la Sociedad Dominante han estimado sobre los principales epígrafes de los estados financieros consolidados del ejercicio 2017 adjuntos sería una reducción por importe de 67,7 millones de euros en el patrimonio neto y los activos del Grupo, representativa de un 4,8% y un 2,8%, respectivamente, sobre las cifras incluidas en el estado de situación financiera consolidado del ejercicio 2017 adjunto, sin que el impacto en resultados fuera significativo.

Dado que los principios contables y criterios de valoración aplicados en la preparación de las cuentas anuales consolidadas del Grupo del ejercicio 2017 pueden diferir de los utilizados por algunas sociedades integradas en el mismo, en el proceso de consolidación se han introducido los ajustes y reclasificaciones necesarios para homogenizar entre sí tales principios y criterios y para adecuarlos a las NIIF adoptadas por la Unión Europea.

Con el objeto de presentar de una forma homogénea las distintas partidas que componen las cuentas anuales consolidadas, se han aplicado a todas las sociedades incluidas en el perímetro de consolidación los principios y normas de valoración seguidos por la Sociedad Dominante.

2.2.1 Primera aplicación de las Normas Internacionales de Información Financiera

Las cuentas anuales consolidadas del ejercicio 2017 han sido las primeras que el Grupo ha presentado con arreglo a las NIIF-UE, debido a que la Sociedad Dominante en el ejercicio terminado al 31 de diciembre de 2016 estaba exenta de consolidar por estar dispensada de esta obligación, de acuerdo con la normativa vigente, puesto que participaba exclusivamente en sociedades dependientes que no poseían un interés significativo, ni individualmente ni en su conjunto, para la imagen fiel del patrimonio, de la situación financiera y de los resultados de las sociedades del Grupo.

El Grupo ha considerado como fecha de primera aplicación el 15 de septiembre de 2016, fecha en la que tuvo lugar la adquisición inversa entre los negocios residenciales de Metrovacesa, S.A. (adquirente económica) y Merlin Properties, SOCIMI, S.A. (Testa Residencial, S.L.U.), y por tanto, la formación del Grupo.

Por los motivos anteriores, en estas cuentas anuales consolidadas no se muestra conciliación alguna respecto a las normas de contabilización utilizadas anteriormente (PCGA) a la primera aplicación de las Normas Internacionales de Información Financiera.

Con respecto a la aplicación de las NIIF, las principales opciones que ha tomado el Grupo, son las siguientes:

- Presentar el estado de situación financiera consolidado clasificando sus elementos como corrientes y no corrientes.
- Presentar la cuenta de resultados consolidada desglosando los gastos en base a la naturaleza de los mismos.
- Presentar el estado de flujos de efectivo consolidado por el método indirecto.
- Presentar los ingresos y gastos en dos estados separados: una cuenta de resultados consolidada y un estado consolidado de ingresos y gastos reconocidos.
- El negocio de arrendamiento residencial de Metrovacesa (adquirente económico) ha optado por reevaluar a valor razonable sus activos en todos sus proyectos concesionales e inversiones inmobiliarias, y utilizar ese valor razonable como el coste atribuido a la fecha de primera aplicación de esta norma. El efecto de la aplicación de dicha opción permitida por la NIIF 1 es el siguiente:

	Miles de euros		
	Valor PCGA	Ajuste de Valor	Valor NIIF
Inmovilizado intangible	10.600	69.455	80.055
Inversiones inmobiliarias	622.266	14.785	637.051
Pasivos por impuesto diferido	-	(17.436)	(17.436)
Total activos netos	632.866	66.804	699.670

Para la estimación del valor razonable de los activos intangibles (que tienen naturaleza inmobiliaria al consistir en un derecho de superficie concedido por el Gobierno Vasco para la construcción de viviendas y su posterior alquiler) y de las inversiones inmobiliarias, el Grupo ha utilizado valoraciones realizadas por expertos independientes, no vinculados al Grupo. El efecto fiscal estimado asociado al reconocimiento del citado incremento de valor ascendió a 17.436 miles de euros, registrado en el epígrafe de "Pasivos por impuesto diferido" del estado de situación financiera consolidado adjunto.

2.2.2 Adopción de las Normas Internacionales de Información Financiera efectivas a partir del 1 de enero de 2017

Durante el ejercicio anual 2017 han entrado en vigor las siguientes normas, modificaciones de normas e interpretaciones, que, en caso de resultar de aplicación, han sido utilizadas por el Grupo en la elaboración de las cuentas anuales consolidadas del ejercicio 2017:

Normas, Modificaciones e Interpretaciones	Descripción	Aplicación obligatoria ejercicios iniciados a partir de:
Modificación a la NIC 7 iniciativa de desgloses (publicada en enero de 2016)	Introduce requisitos de desglose adicionales en relación con la conciliación del movimiento de los pasivos financieros con los flujos de efectivo de las actividades de financiación.	1 de enero de 2017
Modificación a la NIC 12 Reconocimiento de activos por impuestos diferidos por pérdidas no realizadas (publicada en enero de 2016)	Clarificación de los principios establecidos respecto al reconocimiento de activos por impuestos diferidos por pérdidas no realizadas.	1 de enero de 2017
Mejoras a las NIIF Ciclo 2014-2016 (Clarificación en relación con la NIIF 12)	Clarificación en relación con el alcance de NIIF 12 y su interacción con NIIF 5.	1 de enero de 2017

Estas normas y modificaciones no han tenido un impacto significativo en las cuentas anuales consolidadas del ejercicio 2017.

No existe ningún principio contable o criterio de valoración que, teniendo un efecto significativo en las cuentas anuales consolidadas, haya dejado de aplicarse.

2.2.3 Normas no vigentes en el ejercicio 2017

Las siguientes normas no estaban en vigor en el ejercicio 2017, bien porque su fecha de efectividad es posterior a la fecha de las cuentas anuales consolidadas, o bien porque no han sido aún adoptadas por la Unión Europea:

Normas, Modificaciones e Interpretaciones	Descripción	Aplicación obligatoria ejercicios iniciados a partir de:
NIIF 15 Ingresos procedentes de contratos con clientes (publicada en mayo de 2014).	Nueva norma de reconocimiento de ingresos. Sustituye a la NIC 11, NIC 18, CINIIF 13, CINIIF 15, CINIIF 18 y SIC-31. El nuevo modelo de NIIF 15 es mucho más restrictivo y basado en reglas, además de tener un enfoque contractual muy distinto, por lo que la aplicación de los nuevos requisitos puede dar lugar a cambios en el perfil de ingresos.	1 de enero de 2018
NIIF 9 Instrumentos financieros (publicada en julio de 2014)	Esta nueva norma sustituirá a la NIC 39 actual. El cambio conceptual es importante en todos los apartados. Cambia el modelo de clasificación y valoración de activos financieros cuyo eje central será el modelo de negocio. El enfoque del modelo de contabilidad de coberturas trata de alinearse más con la gestión económica del riesgo y exigir menos reglas. Y por último, el modelo de deterioro pasa de las pérdidas incurridas actuales a un modelo de pérdidas esperadas.	1 de enero de 2018
Clarificaciones a NIIF 15 (publicada en abril de 2016)	Giran en torno a la identificación de las obligaciones de desempeño, de principal versus agente, de la concesión de licencias y su devengo en un punto del tiempo o a lo largo del tiempo, así como algunas aclaraciones a las reglas de transición.	1 de enero de 2018
NIIF 16 Arrendamientos (publicada en enero de 2016)	Nueva norma de arrendamientos que sustituye a la NIC 17. Propone un modelo contable único para los arrendatarios, que incluirán en el balance todos los arrendamientos (con algunas excepciones limitadas) con un impacto similar a los actuales arrendamientos financieros.	1 de enero de 2019
NIIF 17 Contratos de seguros (publicada en mayo de 2017)	Reemplaza a la NIIF 4 recoge los principios de registro, valoración, presentación y desglose de los contratos de seguro con el objetivo de que la entidad proporcione información relevante y fiable que permita a los usuarios de la información determinar el efecto que los contratos tiene en los estados financieros.	1 de enero de 2021 (1)
Modificación a la NIIF 2 Clasificación y valoración de pagos basado en acciones (publicada en junio de 2016)	Son modificaciones limitadas que aclaran cuestiones concretas como los efectos de las condiciones de devengo en pagos basados en acciones a liquidar en efectivo, la clasificación de pagos basados en acciones cuando tiene cláusulas de liquidación por el neto y algunos aspectos de las modificaciones del tipo de pago basado en acciones.	1 de enero de 2018 (1)
Modificación a la NIC 40 reclasificación de inversiones inmobiliarias (publicada en diciembre de 2016)	La modificación clarifica que una reclasificación de una inversión desde o hacia inversión inmobiliaria sólo está permitida cuando existe evidencia de un cambio de uso.	1 de enero de 2018 (1)
Mejoras a las NIIF Ciclo 2014-2016 (publicada en diciembre de 2016)	Modificaciones menores de una serie de normas (distintas fechas efectivas)	1 de enero de 2018
CINIIF 22 Transacciones y anticipos en moneda extranjera (publicada en diciembre de 2016)	Esta interpretación establece "la fecha de transacción", a efectos de determinar el tipo de cambio aplicable en transacciones con anticipos en moneda extranjera.	1 de enero de 2018 (1)
CINIIF 23 Incertidumbre sobre tratamientos fiscales (publicada en junio de 2017)	Esta interpretación clarifica cómo aplicar los criterios de registro y valoración de la NIC 12 cuando existe incertidumbre acerca de la aceptabilidad por parte de la autoridad fiscal de un determinado tratamiento fiscal utilizado por la entidad	1 de enero de 2019 (1)

Normas, Modificaciones e Interpretaciones	Descripción	Aplicación obligatoria ejercicios iniciados a partir de:
Modificación a la NIIF 9 Características de cancelación anticipada con compensación negativa (publicada en octubre 2017)	Se permite la valoración a coste amortizado de algunos instrumentos financieros con características de pago anticipado permitiendo el pago de una cantidad menor que las cantidades no pagadas de capital e intereses.	1 de enero de 2019 (1)
Modificación a la NIC 28 Interés a largo plazo en asociadas y negocios conjuntos (publicada en octubre 2017)	Clarifica que se debe aplicar NIIF 9 a los intereses a largo plazo en una asociada o negocio conjunto si no se aplica el método de puesta en equivalencia.	1 de enero de 2019 (1)
Mejoras a las NIIF Ciclo 2015-2017 (publicada en diciembre de 2017)	Modificaciones menores de una serie de normas	1 de enero de 2019 (1)
Modificación de la NIC 19 Modificación, reducción o liquidación de un plan (publicada en febrero de 2018)	De acuerdo con las modificaciones propuestas, cuando se produce un cambio en un plan de prestación definida (por una modificación, reducción o liquidación), la entidad utilizará hipótesis actualizadas en la determinación del coste de los servicios y los intereses netos para el periodo después del cambio del plan.	1 de enero de 2019 (1)
Modificación NIIF 10 y NIC 28 Venta o aportación de activos entre un inversor y su asociada/negocio conjunto	Clarificación muy relevante en relación al resultado de estas operaciones, porque actualmente había una discrepancia entre estas normas. Cuando se trate de un negocio, habrá un resultado total, si el objeto de la transacción son activos, el resultado será parcial.	Diferida indefinidamente su adopción en UE y su aplicación según el IASB

(1) Pendiente de adoptar por la Unión Europea.

En relación con la NIIF 15, el Grupo estima que el impacto de su aplicación no será significativo en la medida en que esta norma excluye de su alcance los contratos de arrendamiento, los cuales siguen regulados por la norma contable (NIC 17/IFRS 16). Dada la naturaleza SOCIMI y las obligaciones que se derivan de dicho régimen, el Grupo no dispone de otros ingresos significativos distintos de los ingresos por arrendamiento.

En cuanto a la NIIF 9, el Grupo no estima que su impacto sea material en la medida que no se han producido refinanciaciones, los instrumentos derivados contratados por el Grupo mantienen con la nueva norma los mismos criterios de registro y valoración que con la actual NIC 39 y que el saldo de cuentas por cobrar tampoco es significativo, teniendo en cuenta que el riesgo de fallido es inferior al 1% de la facturación.

A la fecha actual, el Grupo está evaluando los impactos que la aplicación futura de las normas con fecha de aplicación obligatoria a partir de 1 de enero de 2019 podría tener en los estados financieros consolidados una vez entren en vigor, no siendo posible realizar una estimación razonable de sus efectos hasta que dicho análisis esté completo. En el caso de la NIIF 16 (Arrendamientos), esta norma sustituirá a la NIC 17 actual y será de aplicación a partir del 1 de enero de 2019, la novedad principal radica en un modelo contable único para los arrendatarios, que incluirán en el balance todos los arrendamientos (con alguna excepción limitada) como si fueran compras financiadas, esto es con un impacto similar al de los actuales arrendamientos financieros. Por el contrario, en el caso de los arrendadores, se continuará con un modelo dual, similar al que actualmente está vigente con la NIC 17, por este motivo el Grupo estima que el impacto de la adopción de esta norma no será significativo.

2.3 Moneda funcional

El euro es la moneda en la que se presentan los estados financieros consolidados, por ser esta la moneda funcional en el entorno en el que opera el Grupo.

2.4 Comparación de la información

La información contenida en las cuentas anuales consolidadas correspondientes al ejercicio 2016 se presenta única y exclusivamente, a efectos comparativos con la información relativa al ejercicio terminado el 31 de diciembre de 2017.

Tal y como se indica en la Nota 3, en septiembre del ejercicio 2016 tuvo lugar la fusión inversa entre Testa Residencial, SOCIMI, S.A. y el negocio residencial de Metrovacesa S.A., siendo este último el negocio adquirente. Por este hecho, la cuenta de resultados consolidada del ejercicio 2016 comprende únicamente el periodo desde la

fecha de combinación de ambos negocios, tres meses y quince días, debido a que el negocio residencial de Metrovacesa, carecía de estados financieros separados, puesto que se integraban en los estados financieros de Metrovacesa, S.A.

2.5 Responsabilidad de la información y estimaciones realizadas

La información contenida en estas cuentas anuales consolidadas es responsabilidad de los Administradores de la Sociedad Dominante.

En las cuentas anuales consolidadas del Grupo correspondientes al ejercicio 2017 se han utilizado ocasionalmente estimaciones realizadas por la Alta Dirección del Grupo y de las entidades consolidadas - ratificadas posteriormente por sus Administradores - para cuantificar algunos de los activos, pasivos, ingresos, gastos y compromisos que figuran registrados en ellas. Básicamente, estas estimaciones se refieren a:

1. El valor de mercado de los activos netos adquiridos en las combinaciones de negocios (véase Nota 3).
2. El valor de mercado de los activos inmobiliarios del Grupo (véase Nota 5.2). El Grupo ha obtenido valoraciones de expertos independientes al 31 de diciembre de 2017.
3. El valor razonable de determinados instrumentos financieros (véase Nota 5.6).
4. La evaluación de las provisiones y contingencias (véase Nota 5.11).
5. La gestión del riesgo financiero y en especial el riesgo de liquidez (véase Nota 24).
6. La recuperación de los activos por impuesto diferido y la tasa fiscal aplicable a las diferencias temporarias (véase Nota 5.13).
7. La definición de las transacciones realizadas por el Grupo como una combinación de negocios acorde a la NIIF 3 o como una adquisición de activos (véase Nota 3).
8. El cumplimiento de los requisitos que regulan a las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario.

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. Al 31 de diciembre de 2017, la Sociedad Dominante no cumple el requisito asociado a la incorporación de sus acciones al mercado bursátil, cuya fecha límite es el 22 de septiembre de 2018. En este sentido, el Consejo de Administración ha aprobado en su sesión del 30 de noviembre de 2017, el inicio del proceso que permitirá incorporar las acciones de la Sociedad Dominante al mercado continuo en los próximos meses. Por este motivo, y considerando el apoyo de los Accionistas, los Administradores de la Sociedad Dominante estiman que el requisito de cotización junto con el resto de requisitos exigidos para poder aplicar el régimen fiscal especial, se cumplirán según los términos establecidos por la normativa vigente, y que la Sociedad Dominante permanecerá acogida al régimen SOCIMI.

Cambios de estimación:

A pesar de que estas estimaciones se han realizado en función de la mejor información disponible al 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, conforme a lo establecido en la NIC 8, de forma prospectiva reconociendo los efectos del cambio de estimación en la correspondiente cuenta de resultados consolidada.

2.6 Principios de consolidación aplicados

La consolidación se ha realizado por el método de integración global para todas aquellas sociedades sobre las que se tiene la capacidad para ejercer control efectivo por tener mayoría de votos en sus órganos de representación y decisión y el poder de dirigir las políticas financieras y operativas de la entidad; y mediante la aplicación del método de la participación, en los casos que procede, cuando se posee una influencia significativa pero no se tiene la mayoría de votos, siendo la participación superior al 20%. Al 31 de diciembre de 2017 y 2016 no hay ninguna sociedad integrada en el Grupo bajo el método de la participación.

Con el objetivo de homogeneizar los principios y criterios contables de las sociedades del Grupo a los de la Sociedad Dominante se han realizado determinados ajustes de homogeneización, entre los que destacan la aplicación de los criterios de las Normas Internacionales de Información Financiera a todas las sociedades del Grupo.

No ha sido necesario ningún ajuste de homogeneización temporal ya que la fecha de cierre de todas las sociedades del Grupo es el 31 de diciembre de 2017.

2.6.1 Empresas dependientes

Se consideran entidades dependientes aquellas sobre las que la Sociedad Dominante, directa o indirectamente, a través de dependientes ejerce control. La Sociedad Dominante controla a una entidad dependiente cuando por su implicación en ella está expuesta, o tiene derecho, a unos rendimientos variables y tiene la capacidad de influir en dichos rendimientos a través del poder que ejerce sobre la misma. La Sociedad Dominante tiene el poder cuando posee derechos sustantivos en vigor que le proporcionan la capacidad de dirigir las actividades relevantes. La Sociedad Dominante está expuesta, o tiene derecho, a unos rendimientos variables por su implicación en la entidad dependiente cuando los rendimientos que obtiene por dicha implicación pueden variar en función de la evolución económica de la entidad.

Los estados financieros de las sociedades dependientes se consolidan con los de la Sociedad Dominante por aplicación del método de integración global. Consecuentemente, todos los saldos y efectos de las transacciones efectuadas entre las sociedades consolidadas que son significativos han sido eliminados en el proceso de consolidación.

La participación de terceros en el patrimonio y resultados del Grupo se presentan respectivamente en los capítulos "Socios externos" del estado de situación financiera consolidado, de la cuenta de resultados consolidada y del estado del resultado global consolidado.

Los resultados de las sociedades dependientes adquiridas o enajenadas durante el ejercicio 2017 se incluyen en la cuenta de resultados consolidada desde la fecha efectiva de adquisición o hasta la fecha efectiva de enajenación, según corresponda.

2.6.2 Operaciones entre empresas del Grupo

En las transacciones entre sociedades consolidadas, se eliminan los resultados por operaciones internas, difiriéndose hasta que se realizan frente a terceros ajenos al Grupo. Los trabajos efectuados por el Grupo para su propio inmovilizado se reconocen por su coste de producción, eliminándose los resultados intragrupo. Se han eliminado de los estados financieros consolidados, los créditos y débitos entre las sociedades comprendidas en el conjunto consolidable, así como los ingresos y gastos internos en dicho conjunto.

2.6.3 Diferencias de primera consolidación

En la fecha de una adquisición, los activos y pasivos de una sociedad dependiente se calculan a sus valores razonables en la fecha de adquisición. Cualquier exceso del coste de adquisición con respecto a los valores razonables de los activos identificables adquiridos y pasivos asumidos se reconoce como fondo de comercio. Cuando existe un defecto del coste de adquisición con respecto a los valores razonables de los activos identificables adquiridos y pasivos asumidos (es decir, descuento en la adquisición), se revisan las valoraciones de los activos y pasivos netos y, en su caso, dicho defecto se imputa a resultados en el período de adquisición.

2.6.4 Combinaciones de negocios

En las combinaciones de negocios, el Grupo aplica el método de adquisición. La fecha de adquisición es aquella en la que el Grupo obtiene el control del negocio adquirido.

La contraprestación transferida se determina en la fecha de adquisición por la suma de los valores razonables de los activos entregados, los pasivos incurridos con los antiguos propietarios y los instrumentos de patrimonio neto emitidos por el Grupo a cambio del control de la entidad adquirida. Los costes de adquisición, tales como los honorarios profesionales, no forman parte del coste de la combinación de negocios y se imputan a la cuenta de resultados consolidada.

Por otro lado, la contraprestación contingente, en su caso, se valora a valor razonable a la fecha de adquisición. La modificación posterior del valor razonable de la contraprestación contingente se imputa a la cuenta de resultados consolidada, en el caso de cambios que procedan de sucesos ocurridos tras la fecha de la adquisición, tales como cumplir un objetivo de ganancias, alcanzar un precio por acción determinado o alcanzar un hito en un proyecto de investigación y desarrollo. En cambio, los cambios en el valor razonable de una contraprestación contingente que la adquirente reconozca después de la fecha de la adquisición que resulten de información adicional que la adquirente obtenga después de esa fecha sobre hechos y circunstancias que existían en la fecha de la adquisición son ajustes del periodo de medición, en cuyo caso modificará el fondo de comercio.

El fondo de comercio se calcula como la diferencia entre la suma de la contraprestación transferida, más los intereses minoritarios, más el valor razonable de cualquier participación previa en la adquirida, menos el importe neto en la fecha de adquisición del valor razonable los activos identificables adquiridos y los pasivos asumidos.

En el caso de que el coste de adquisición de los activos identificables adquiridos y pasivos asumidos fuese inferior al importe neto de sus valores razonables, este menor valor se reconoce en la cuenta de resultados consolidada del ejercicio.

2.6.5 Variaciones en el perímetro de consolidación

Las variaciones habidas en el perímetro de consolidación del Grupo Testa (formado por Testa Residencial, SOCIMI, S.A. y sus sociedades dependientes) durante el ejercicio 2017 han sido las siguientes:

Entradas al perímetro de consolidación

Durante el ejercicio 2017, y tras la combinación de negocios con Acciona Real Estate S.L. descrita en la Nota 3, se ha producido la entrada en el perímetro de consolidación de Compañía Urbanizadora del Coto, S.L., y Valgrand 6, S.A.U.

Salidas del perímetro de consolidación

Durante el ejercicio 2017 no se ha producido ninguna salida del perímetro de consolidación del Grupo.

2.6.6 Perímetro de consolidación

Las sociedades que componen el Grupo Testa Residencial, SOCIMI, S.A. y sociedades dependientes al 31 de diciembre de 2017 junto con información relativa al método de consolidación se detallan en el Anexo I de las cuentas anuales consolidadas.

3. Cambios en el perímetro de consolidación y otras variaciones

2017-

Aportación no dineraria de activos inmobiliarios procedentes de las entidades financieras accionistas

Con fecha 30 de enero de 2017, la Junta General extraordinaria de Accionistas de la Sociedad Dominante firmó un acuerdo de ampliación de capital no dineraria mediante la aportación de activos inmobiliarios residenciales procedentes principalmente de las entidades financieras accionistas, Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A. y Banco Popular, S.A. Con fecha 7 de marzo de 2017, dicha operación fue ratificada por la Junta General de Accionistas de la Sociedad Dominante por importe de 659.723 miles de euros mediante la aportación de 60 promociones residenciales. Los acuerdos tomados por las respectivas juntas fueron inscritos en el Registro Mercantil el 3 de abril de 2017.

Como contraprestación por los activos inmobiliarios recibidos, la Sociedad Dominante llevó a cabo una ampliación de capital social mediante la emisión de 5.221.817.098 nuevas acciones de 0,01 euros de valor nominal cada una de ellas, con una prima de emisión de 0,11633977722 euros por acción emitida.

Acuerdo de integración con el negocio residencial de Acciona Real Estate, S.L.

Con fecha 27 de julio de 2017 la Sociedad Dominante firmó un acuerdo para la incorporación del negocio de arrendamiento residencial de Acciona Real Estate, S.L. con el objetivo de mantener el liderazgo en el mercado español de activos residenciales en alquiler. Con fecha 14 de septiembre de 2017 fue ratificada por las Juntas Generales de Accionistas de la Sociedad Dominante y Acciona Real Estate, S.L. Los acuerdos tomados por las respectivas juntas fueron inscritos en el Registro Mercantil el 17 de octubre de 2017.

La operación se articuló a través de la aportación al Grupo del negocio residencial de Acciona Real Estate, S.L. consistente en el 99,655% de las participaciones de Compañía Urbanizadora del Coto, S.L., el 100% de las participaciones de Valgrand 6, S.A.U y unas viviendas localizadas en Lérida. Como contraprestación, la Sociedad Dominante llevó a cabo una ampliación de capital social mediante la emisión de 2.645.404.051 acciones de 0,01 euro de valor nominal cada una de ellas, con una prima de emisión de 0,116946213484044 euros por acción emitida. Conforme con el acuerdo de socios suscrito con Acciona Real Estate, S.L., las aportaciones realizadas por la misma, una vez capitalizado el compromiso que la Sociedad Dominante tiene con uno de sus accionistas (véase Nota 26) no deben de ser inferiores al 20% del valor de Grupo a la fecha del acuerdo, debiendo realizar una única compensación en efectivo en caso de que la participación de Acciona Real Estate, S.L. se encuentra por debajo del mencionado valor.

En este sentido, la Sociedad Dominante ha estimado que deberá pagar a Acciona Real Estate, S.L. un importe de 5.400 miles de euros, el cual se encuentra registrado dentro del epígrafe "Deudas con empresas vinculadas a corto plazo" del estado de situación financiera consolidado adjunto (véase Nota 20.2).

Adicionalmente, el contrato de accionistas estipula en su cláusula 8.7 que, si el Grupo antes del 21 de septiembre de 2022 no hubiese incorporado sus acciones al mercado bursátil, Acciona Real Estate S.L. tendría derecho a exigir al Grupo, dentro de los seis meses siguientes a dicha fecha, la amortización de las acciones suscritas en la aportación mencionada anteriormente. Como contrapartida, Acciona Real Estate, S.L. recibiría un importe equivalente al porcentaje que representen sus acciones sobre el EPRA NAV del Grupo a la fecha de la amortización. La liquidación se realizaría, a opción de la Sociedad Dominante, mediante efectivo o la entrega de los activos recibidos en la aportación realizada en el ejercicio 2017, y si este fuera el caso la diferencia con respecto al EPRA NAV del Grupo a la fecha de amortización se liquidaría en más o en menos, en efectivo.

De acuerdo con la normativa contable vigente, el derecho del que es titular Acciona Real Estate, S.L. representa para el Grupo una obligación potencial de recompra de las acciones emitidas en la ampliación de capital suscrita por Acciona Real Estate, S.L., habiendo registrado en consecuencia un pasivo a largo plazo equivalente al valor presente de dicha obligación, utilizando una tasa de descuento equivalente al tipo de interés incremental del Grupo el cual ascendía, inicialmente a 349.761 miles de euros, y se encuentra registrado en el epígrafe "Otros pasivos no corrientes" del estado de situación financiera consolidado. Dicho pasivo se registra posteriormente a valor razonable, imputándose a la cuenta de resultados consolidada sus cambios de valor.

En este sentido, los Administradores de la Sociedad Dominante estiman que es altamente probable que el Grupo incorpore sus acciones al mercado bursátil antes del 21 de septiembre de 2022, y por tanto, la opción de amortización de sus acciones por parte de Acciona Real Estate S.L. expirara, y en consecuencia el pasivo se transformara inmediatamente en patrimonio neto.

El resumen de esta combinación de negocios es el siguiente:

	Miles de euros		
	Valor en Libros	Ajuste de Valor	Valor Razonable
Inversiones inmobiliarias (Nota 7)	332.313	81.288	413.601
Acuerdos de concesión (Nota 8)	1.993	973	2.966
Inversiones financieras a largo plazo	1.082	-	1.082
Activos por impuesto diferido (Nota 17.3)	10.706	-	10.706
Otros activos	40.540	-	40.540
Pasivos por impuesto diferido (Nota 17.4)	(39.657)	(5.903)	(45.560)
Pasivos no corrientes	(79.563)	-	(79.563)
Pasivos corrientes	(1.388)	-	(1.388)
Total activos netos incorporados	266.026	76.358	342.384
Socios Externos incorporados			(732)
Contraprestación transferida (a)			341.652
Diferencia negativa en la combinación/(Fondo de Comercio)			-

- (a) El valor razonable de la contraprestación transferida ha sido calculado aplicando a las acciones emitidas (2.645.404.051) el valor del Grupo (0,126946213484044 euros) al 14 de septiembre de 2017, fecha de la toma de control, más 5.400 miles de euros por la obligación incurrida en concepto de compensación por reducción del valor del Grupo por debajo del 20%. El acuerdo de integración del negocio de Acciona Real Estate, S.L. no incluye ningún otro tipo de contraprestación contingente.

Para la estimación del valor razonable de los activos netos del negocio de Acciona Real Estate, S.L., cuya naturaleza es principalmente inmobiliaria, la Sociedad Dominante ha utilizado valoraciones realizadas por expertos independientes, no vinculados al Grupo. El efecto fiscal estimado por los Administradores del Grupo asociado al reconocimiento del citado incremento de valor ascendió a 5.903 miles de euros, registrado en el epígrafe de "Pasivos por impuesto diferido" del estado de situación financiera consolidado adjunto (véase Nota 17.4).

Esta operación se acogió al régimen fiscal especial previsto en el capítulo VII del Título VII del artículo 89 de la Ley 27/2014, de 27 de noviembre del Impuesto sobre Sociedades. Los beneficios fiscales recibidos por la integración del negocio de Acciona Real Estate, S.L. corresponden, fundamentalmente, a activos y pasivos por impuesto diferidos que ascendían a 10.706 y 45.560 miles de euros, respectivamente (véase Nota 17).

Los costes de transacción asociados en la operación han ascendido a 554 miles de euros y se encuentran registrados en el epígrafe "Otros gastos de explotación" de la cuenta de resultados consolidada del ejercicio 2017 adjunta.

El valor razonable de las cuentas por cobrar adquiridas, principalmente de naturaleza comercial, asciende a 680 miles de euros y no difiere de sus importes contractuales brutos. Los Administradores no estiman que a la fecha de adquisición hubiera indicios de que no se fueran a cobrar en su totalidad.

El beneficio neto y los ingresos obtenidos por el negocio residencial de Acciona Real Estate, S.L. incorporado en el ejercicio 2017 e incluido en la cuenta de resultados consolidada del ejercicio 2017 asciende a 11.370 y 2.890 miles de euros, respectivamente.

Si su adquisición hubiera tenido lugar el 1 de enero de 2017 el beneficio neto habría aumentado en un importe de 10.107 miles de euros, y los ingresos aportados al Grupo habrían aumentado en 8.786 miles de euros, aproximadamente, en comparación con estas cuentas anuales. Los Administradores consideran que estas cifras "proforma" representan una razonable aproximación a lo que sería el desempeño anual de la nueva entidad combinada y un punto de referencia inicial para la comparación de ejercicios futuros. Para determinar estas cifras "proforma" de ingresos y resultados, la Dirección del Grupo ha considerado lo siguiente:

- Se ha calculado la depreciación del inmovilizado ya sobre la base de los valores razonables a la fecha de la combinación.
- Se han calculado los costes financieros sobre la base de la situación de deuda que queda tras la combinación.

Flujo de caja neto en la adquisición-

	Miles de euros
Efectivo pagado	-
Tesorería y otros activos líquidos equivalentes incorporados	39.706
Total	39.706

En cualquier caso, y conforme a lo establecido por la NIIF 3, estas estimaciones iniciales tienen carácter provisional y el Grupo dispone de un período de un año para ajustarlos conforme a información posterior más relevante y completa que haya podido obtener.

2016 -

Acuerdo de integración de los negocios residenciales de Metrovacesa, S.A. y Merlin Properties, SOCIMI, S.A. (Socio Único de Testa Residencial, S.L.U.)

Con fecha 21 de junio de 2016 Merlin Properties, SOCIMI, S.A. (Socio Único de Testa Residencial, S.L.U. a dicha fecha) firmó un acuerdo de integración con Metrovacesa, S.A. y sus principales accionistas (Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A. y Banco Popular Español, S.A.) con el objetivo de crear una de las principales sociedades inmobiliarias españolas de activos residenciales en alquiler. Con fecha 26 de agosto de 2016 la integración fue aprobada por las autoridades de defensa de la competencia española y el 15 de septiembre de 2016 fue aprobada por las Juntas Generales de Accionistas de Merlin Properties, SOCIMI, S.A. y Metrovacesa, S.A. Los acuerdos tomados por las respectivas juntas fueron inscritos en el Registro Mercantil el 26 de octubre de 2016.

La operación se articuló a través de la escisión total de Metrovacesa, S.A. produciéndose la extinción de dicha entidad y la integración con la Sociedad Dominante de la unidad de negocio residencial de Metrovacesa, consistente en el patrimonio de bienes inmuebles de uso residencial destinados a su explotación en arrendamiento (incluyendo parte del personal del grupo Metrovacesa y los activos residenciales, acciones o participaciones de sociedades filiales o participadas, contratos y en general todos los activos y pasivos no financieros de Metrovacesa asociados al patrimonio residencial y adicionalmente, 250 millones de euros de deuda financiera). Como contraprestación por el negocio recibido, Testa Residencial, S.L.U. (actualmente Testa Residencial, SOCIMI, S.A.) llevó a cabo una ampliación de capital social mediante la emisión de 3.075.278.154 acciones de 1 céntimo de euro de valor nominal cada una de ellas, con una prima de emisión de 0,133656923 euros por acción emitida. Esta ampliación fue suscrita íntegramente por los accionistas de Metrovacesa, S.A. Como resultado de esta transacción, los accionistas de Metrovacesa, S.A. adquirieron el 65,76 % del capital social de la Sociedad Dominante (Banco Santander 46,21%, Banco Bilbao Vizcaya Argentaria 13,34% y Banco Popular 6,21%).

Desde el punto de vista del registro contable de la operación, se han considerado los siguientes aspectos:

- La integración de los negocios residenciales de Testa Residencial y Metrovacesa, de acuerdo con lo establecido en las normas internacionales de información financiera (NIIF), es una adquisición inversa debido, entre otras razones, a que los antiguos accionistas de Metrovacesa mantienen la mayoría de los derechos de voto sobre la entidad resultante (Testa Residencial SOCIMI, S.A.), todo ello considerando que el negocio de arrendamiento residencial de Metrovacesa constituye en sí mismo una "reporting entity" conforme a lo indicado en el Exposure Draft ED 2015/3 sobre el marco conceptual y, por tanto, puede aplicarse la interpretación alcanzada por el IFRIC en septiembre de 2011 en la cual se concluye que una adquirente que sea una "reporting entity" pero no una "legal entity" puede ser considerada adquirente en una adquisición inversa. Los activos netos de Testa Residencial (negocio económicamente adquirido) de acuerdo a la NIIF 3 se incorporaron por su valor razonable a la fecha de la combinación de negocios, conforme al siguiente detalle:

	Miles de euros		
	Valor en Libros	Ajuste de Valor	Valor Incorporado
Inmovilizado intangible	14.149	65.943	80.092
Inversiones inmobiliarias	116.671	139.153	255.824
Acuerdos concesionales	3.392	759	4.151
Otros activos no corrientes	1.997	-	1.997
Activos por impuesto diferido	266	-	266
Activos corrientes	2.420	-	2.420
Pasivos por impuesto diferido	-	(43.216)	(43.216)
Pasivos no corrientes	(112.750)	-	(112.750)
Pasivos corrientes	(2.403)	-	(2.403)
Total activos netos	23.742	162.639	186.381
Valor razonable de la contraprestación recibida (a)			186.381
Diferencia negativa en la combinación/(Fondo de Comercio)			-

(a) Basado en el número de instrumentos de patrimonio del negocio residencial de Metrovacesa, S.A. que habría sido necesario emitir para dar a Merlin Properties, SOCIMI, S.A. un 34,33% en la entidad combinada que surge de la adquisición inversa.

De acuerdo con lo establecido por las normas contables en relación con las adquisiciones inversas, el patrimonio neto inicial del Grupo combinado corresponde al del negocio residencial de Metrovacesa, más el incremento de patrimonio equivalente al valor razonable de los activos netos de Testa Residencial, SOCIMI, S.A., si bien, el capital social corresponde al de Testa Residencial, SOCIMI, S.A., sociedad que legalmente subsiste.

Para la estimación del valor razonable de los activos netos, cuya naturaleza es principalmente inmobiliaria, el Grupo utilizó valoraciones realizadas por expertos independientes. El efecto fiscal estimado por los Administradores del Grupo asociado al reconocimiento del citado incremento de valor ascendió a 43.216 miles de euros, registrado en el epígrafe de "Pasivos por impuesto diferido" del estado de situación financiera consolidado adjunto.

Esta operación se acogió al régimen fiscal especial previsto en el capítulo VII del Título VII del artículo 89 de la Ley 27/2014, de 27 de noviembre del Impuesto sobre Sociedades. Los efectos fiscales procedentes de la integración de negocios corresponden, fundamentalmente, a activos y pasivos por impuesto diferidos que ascendían a 266 y 43.216 miles de euros, respectivamente (véase Nota 17). Los negocios residenciales registrados en la mencionada integración de negocios no incorporaron bases imponibles negativas ni deducciones pendientes de aplicar.

Los costes de transacción asociados en la operación ascendieron a 1.394 miles de euros y se registraron en la cuenta de resultados consolidada del ejercicio 2016.

El valor razonable de las cuentas por cobrar reconocidas, principalmente de naturaleza comercial, ascendió a 196 miles de euros y no difirió de sus importes contractuales brutos. Los Administradores de la Sociedad Dominante no estimaron que a la fecha de adquisición hubiese indicios de que no se fuesen a cobrar en su totalidad.

Flujo de caja neto en la adquisición-

	Miles de euros
Efectivo pagado	-
Tesorería y otros activos líquidos equivalentes incorporados	891
Total	891

4. Aplicación del resultado de la Sociedad Dominante

La propuesta de aplicación de las pérdidas del ejercicio 2017 formulada por los Administradores de la Sociedad Dominante, pendiente de aprobación por la Junta General de Accionistas, es la siguiente:

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	Euros
Base del reparto: Pérdidas del ejercicio	(10.161.937,59)
Aplicación: A resultados negativos de ejercicios anteriores	(10.161.937,59)

5. Normas de valoración

Los principales principios, políticas contables y normas de valoración aplicados por el Grupo en la elaboración de estas cuentas anuales consolidadas y que cumplen con las NIIF vigentes a la fecha de las mismas han sido los siguientes:

5.1 Activos Intangibles

En este epígrafe se recogen las aplicaciones informáticas y activos intangibles correspondientes a proyectos concesionales. Se contabilizan a su coste de adquisición o producción menos la amortización acumulada y las pérdidas por deterioro acumuladas existentes. Un activo intangible se reconocerá si y solo si es probable que genere beneficios futuros al Grupo y que su coste pueda ser valorado de forma fiable.

Las ganancias o pérdidas derivadas de la baja de un activo intangible se valoran como la diferencia entre los recursos netos obtenidos de la enajenación y el valor en libros del activo, y se registran en la cuenta de resultados separada consolidada cuando el activo es dado de baja.

Aplicaciones informáticas

La cuenta "Aplicaciones informáticas", recoge el importe de los programas de ordenador, adquiridos a terceros, y exclusivamente en aquellos casos en que está prevista la utilización de los mismos durante varios años. Se amortizan en función de su vida útil, que habitualmente es de cuatro años.

Proyectos concesionales

En este epígrafe se recogen las concesiones administrativas y se contabilizan a su coste de adquisición o producción menos la amortización acumulada y las pérdidas por deterioro acumuladas existentes.

La concesión administrativa registrada en la integración de negocios descrita en la Nota 5 se ha registrado al valor razonable a la fecha de dicha integración y se amortiza linealmente durante los años de la concesión.

Las ganancias o pérdidas derivadas de la baja de un proyecto concesional se valoran como la diferencia entre los recursos netos obtenidos de la enajenación y el valor en libros del activo, y se registran en la cuenta de resultados separada consolidada cuando el activo es dado de baja.

Dentro de este epígrafe se incluye la concesión denominada "Bentaberri" situada en San Sebastián (Guipúzcoa), se amortiza linealmente en el periodo de concesión, la cual finaliza en el año 2069, con una duración total inicial de 75 años. Esta concesión fue otorgada por el Gobierno Vasco.

5.2 Inversiones Inmobiliarias

Las inversiones inmobiliarias son inmuebles, incluidos aquellos en curso o en desarrollo para uso futuro como inversión inmobiliaria, que se mantienen total o parcialmente para obtener rentas, plusvalías o ambas, en lugar de para su uso en la producción o suministro de bienes o servicios, o bien para fines administrativos del Grupo o su venta en el curso ordinario de las operaciones.

Todos los activos clasificados como inversiones inmobiliarias se encuentran en explotación con diversos inquilinos. El objeto de estos inmuebles es su arrendamiento a terceros. Los Administradores de la Sociedad Dominante no contemplan enajenar estos activos en el horizonte temporal por lo que ha decidido mantener estos activos como inversiones inmobiliarias en el estado de situación financiera consolidada.



Las inversiones inmobiliarias se presentan a su valor razonable a la fecha de cierre del ejercicio y no son objeto de amortización. Corresponden a los terrenos, edificios y otras construcciones que se mantienen bien para explotarlos en régimen de alquiler, bien para obtener una plusvalía en su venta como consecuencia de los incrementos que se produzcan en el futuro en sus respectivos precios de mercado.

Los beneficios o pérdidas derivados de variaciones en el valor razonable de los inmuebles de inversión se incluyen en los resultados del periodo en que surgen.

Durante el periodo de ejecución de obras, se capitalizan los costes de ejecución y los gastos financieros. En el momento en que dicho activo entra en explotación, se registra a valor razonable.

De acuerdo con la NIC 40, el Grupo determina periódicamente el valor razonable de los elementos de inversiones inmobiliarias de forma que, al cierre del ejercicio, el valor razonable refleja las condiciones de mercado de los elementos de propiedades de inversión a dicha fecha. Dicho valor razonable se determina semestralmente tomando como valores de referencia las valoraciones realizadas por expertos independientes.

La determinación del valor razonable de los activos inmobiliarios ha sido realizado por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC). La metodología utilizada para determinar el valor razonable de los activos inmobiliarios se detalla en la Nota 7.

5.3 Deterioro de valor de los activos intangibles

Al menos al cierre del ejercicio el Grupo revisa los importes en libros de sus activos intangibles para determinar si existen indicios de que dichos activos hayan sufrido una pérdida por deterioro de valor. Si existe cualquier indicio, el importe recuperable del activo se calcula con el objeto de determinar el alcance de la pérdida por deterioro de valor (si la hubiera). En caso de que el activo no genere flujos de efectivo que sean independientes de otros activos, el Grupo calcula el importe recuperable de la unidad generadora de efectivo a la que pertenece el activo.

Cuando una pérdida por deterioro de valor revierte posteriormente, el importe en libros del activo (unidad generadora de efectivo) se incrementa por la estimación revisada de su importe recuperable, pero de tal modo que el importe en libros incrementado no supere el importe en libros que se habría determinado de no haberse reconocido ninguna pérdida por deterioro de valor para el activo (unidad generadora de efectivo) en ejercicios anteriores.

La determinación del valor razonable del proyecto concesional ha sido realizado por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC). La metodología utilizada para determinar el valor razonable de los activos inmobiliarios se detalla en la Nota 7.

5.4 Arrendamientos

5.4.1 Clasificación de arrendamientos

Los arrendamientos se clasifican como arrendamientos financieros siempre que las condiciones de los mismos transfieran sustancialmente los riesgos y beneficios derivados de la propiedad al Grupo, el cual, habitualmente, tiene la opción de adquirirlos al finalizar el contrato en las condiciones acordadas al formalizarse la operación. Los demás arrendamientos se clasifican como arrendamientos operativos.

La totalidad de los arrendamientos del Grupo, se clasifican como arrendamientos operativos.

5.4.2 Contabilidad del arrendador

Arrendamientos operativos

Los activos arrendados a terceros bajo contratos de arrendamiento operativo se presentan de acuerdo a la naturaleza de los mismos.

Los ingresos procedentes de los arrendamientos operativos, netos de los incentivos concedidos, se reconocen como ingresos de forma lineal a lo largo del plazo del arrendamiento.

Las cuotas de arrendamiento contingente se reconocen como ingresos cuando es probable que se vayan a obtener, que generalmente se produce cuando concurren las condiciones pactadas en el contrato.

5.4.3 Contabilidad del arrendatario

Arrendamientos operativos

Las cuotas derivadas de los arrendamientos operativos, netas de los incentivos recibidos, se reconocen como gasto de forma lineal durante el plazo del arrendamiento excepto que resulte más representativa otra base sistemática de reparto por reflejar más adecuadamente el patrón temporal de los beneficios del arrendamiento.

El Grupo reconoce los costes iniciales directos incurridos en los arrendamientos operativos como gasto a medida que se incurren. Las cuotas de arrendamiento contingente se registran como gasto cuando es probable que se vaya a incurrir en las mismas.

5.5 Instrumentos financieros

Los instrumentos financieros se clasifican en el momento de su reconocimiento inicial como un activo financiero, un pasivo financiero o un instrumento de patrimonio, de conformidad con el fondo económico del acuerdo contractual y con las definiciones de activo financiero, pasivo financiero o de instrumento de patrimonio desarrolladas en la NIC 32 "Instrumentos financieros: Presentación".

Los instrumentos financieros se reconocen cuando el Grupo se convierte en una parte obligada del contrato o negocio jurídico conforme a las disposiciones del mismo.

A efectos de su valoración, los instrumentos financieros se clasifican en las categorías de activos y pasivos financieros a valor razonable con cambios en resultados, separando aquellos designados inicialmente de aquellos mantenidos para negociar, préstamos y cuentas a cobrar, inversiones mantenidas hasta el vencimiento, activos financieros disponibles para la venta y pasivos financieros a coste amortizado. La clasificación en las categorías anteriores se efectúa atendiendo a las características del instrumento y a las intenciones del Grupo en el momento de su reconocimiento inicial.

Activos financieros

Los activos financieros se reconocen en el estado de situación financiera consolidado cuando se lleva a cabo su adquisición, registrándose inicialmente a su valor razonable. Los activos financieros mantenidos por las sociedades del Grupo se clasifican como:

1. Los préstamos y partidas a cobrar se registran inicialmente por el valor razonable de la contraprestación entregada más los costes de la transacción que sean directamente atribuibles y posteriormente, se valoran por su coste amortizado. El Grupo tiene constituidas provisiones para hacer frente a los riesgos de incobrabilidad. Estas provisiones están calculadas atendiendo a la probabilidad de recuperación de la deuda en función de su antigüedad y de la solvencia del deudor. Al 31 de diciembre de 2017 el valor razonable de estos activos, no difiere significativamente del valor por el que figuran registrados en el estado de situación financiera consolidado.
2. Activos financieros a vencimiento: activos cuyos cobros son de cuantía fija o determinable y cuyo vencimiento está fijado en el tiempo. Con respecto a ellos, el Grupo manifiesta su intención y su capacidad para conservarlos en su poder desde la fecha de su compra hasta la de su vencimiento.

Los acuerdos de concesión cuya contraprestación recibida consista en un derecho incondicional a recibir efectivo u otro activo financiero, se califican como un activo financiero dentro de la categoría de préstamos y partidas a cobrar. Estos se valoran inicialmente por el valor razonable del servicio prestado, que en principio equivale al coste más el margen de construcción.

En el caso de los acuerdos de concesión calificados como activos financieros, las actuaciones de reposiciones, de grandes reparaciones, las necesarias para revertir y/o conservar la infraestructura, así como las mejoras o ampliaciones de capacidad originan el reconocimiento del correspondiente activo financiero. Los gastos financieros devengados hasta que la infraestructura está en condiciones de explotación, así como los que se produzcan con posterioridad se imputan a la cuenta de resultados consolidada en el momento de su devengo.

Al menos al cierre del ejercicio el Grupo realiza un test de deterioro para los activos financieros que no están registrados a valor razonable. Se considera que existe evidencia objetiva de deterioro si el valor recuperable del activo financiero es inferior a su valor en libros. Cuando se pone de manifiesto, el reconocimiento de este deterioro se registra en la cuenta de resultados consolidada.

El Grupo da de baja los activos financieros cuando expiran o se han cedido los derechos sobre los flujos de efectivo del correspondiente activo financiero y se han transferido sustancialmente los riesgos y beneficios inherentes a su propiedad. Por el contrario, el Grupo no da de baja los activos financieros, y reconoce un pasivo financiero por un importe igual a la contraprestación recibida, en las cesiones de activos financieros en las que se retenga sustancialmente los riesgos y beneficios inherentes a su propiedad.

Pasivos financieros

Los principales pasivos financieros mantenidos por las sociedades del Grupo son pasivos financieros a vencimiento que se valoran a su coste amortizado. Los pasivos financieros mantenidos por las sociedades del Grupo se clasifican como:

1. Préstamos bancarios y otros préstamos: los préstamos obtenidos de entidades bancarias y otras entidades prestamistas, se registran por el importe recibido, neto de los costes incurridos en la transacción. Posteriormente, se valoran al coste amortizado. Los gastos financieros se contabilizan según el criterio del devengo en la cuenta de resultados consolidada utilizando el método del interés efectivo y se añaden al importe en libros del pasivo en la medida en que no se liquidan en el periodo en que se producen.
2. Acreedores comerciales y otras cuentas por pagar: las cuentas a pagar originadas por operaciones de tráfico se registran inicialmente a valor razonable y, posteriormente, son valoradas a coste amortizado

utilizando el método de la tasa de interés efectiva.

El Grupo da de baja los pasivos financieros cuando se extinguen las obligaciones que los han generado.

5.6 Instrumentos financieros derivados y contabilización de operaciones de coberturas

El Grupo utiliza instrumentos financieros derivados para cubrir los riesgos a los que se encuentran expuestas sus actividades, operaciones y flujos de efectivo futuros. Fundamentalmente, estos riesgos son de variaciones de los tipos de interés. En el marco de dichas operaciones el Grupo contrata instrumentos financieros de cobertura económica.

Para que estos instrumentos financieros puedan calificarse como de cobertura contable, son designados inicialmente como tales documentándose la relación de cobertura. Asimismo, el Grupo verifica inicialmente y de forma periódica a lo largo de su vida (como mínimo en cada cierre contable) que la relación de cobertura es eficaz, es decir, que es esperable prospectivamente que los cambios en el valor razonable o en los flujos de efectivo de la partida cubierta (atribuibles al riesgo cubierto) se compensen casi completamente por los del instrumento de cobertura y que, retrospectivamente, los resultados de la cobertura hayan oscilado dentro de un rango de variación del 80 al 125% respecto del resultado de la partida cubierta.

Los derivados se registran inicialmente a su coste de adquisición en el estado de situación financiera consolidado y posteriormente se realizan las correcciones valorativas necesarias para reflejar su valor razonable en cada momento, registrándose en los epígrafes "Inversiones financieras no corrientes - Derivados" y "Otros activos financieros corrientes - Derivados" si son positivas, y como "Pasivos financieros no corrientes - Derivados" y "Pasivos financieros no corrientes - Derivados" si son negativas del estado de situación financiera consolidado. Los beneficios o pérdidas por dichas fluctuaciones se registran en la cuenta de resultados consolidada, salvo en el caso de que el derivado haya sido designado como instrumento de cobertura y ésta sea altamente efectiva, en cuyo caso la parte de la ganancia o pérdida del instrumento de cobertura que se haya determinado como cobertura eficaz se reconoce transitoriamente en el patrimonio neto, imputándose en la cuenta de pérdidas y ganancias en el mismo período en que el elemento que está siendo objeto de cobertura afecta al resultado.

La contabilización de coberturas es interrumpida cuando el derivado vence, o es vendido, finalizado o ejercido, o deja de cumplir los criterios para la contabilización de coberturas. En ese momento, cualquier beneficio o pérdida acumulados, correspondientes al derivado que haya sido registrado en el patrimonio neto, se mantiene dentro del patrimonio neto hasta que se produzca la operación prevista. Cuando no se espera que se produzca la operación que está siendo objeto de cobertura, los beneficios o pérdidas acumulados netos reconocidos en el patrimonio neto se transfieren a los resultados netos del período.

El valor razonable de los diferentes instrumentos financieros derivados se calcula de acuerdo con las técnicas de valoración descritas en la Nota 5.7 siguiente.

5.7 Técnicas de valoración e hipótesis aplicables para la medición del valor razonable

Los valores razonables de los activos y pasivos financieros se determinan de la siguiente forma:

- Los valores razonables de activos y pasivos financieros con los términos y condiciones estándar y que se negocian en los mercados activos y líquidos se determinan con referencia a los precios cotizados en el mercado.
- El valor razonable de otros activos financieros y pasivos financieros (excluidos los instrumentos derivados) se determinan de acuerdo con los modelos de valoración generalmente aceptados sobre la base de descuento de flujos de caja utilizando los precios de transacciones observables del mercado y las cotizaciones de contribuidores para instrumentos similares.

- Para la determinación del valor razonable de los derivados de tipo de interés se calcula actualizando las liquidaciones futuras entre el tipo fijo y el variable, según los tipos de interés implícitos de mercado, obtenidos a partir de las curvas de tipos "swap" a largo plazo. Se utiliza la volatilidad implícita para el cálculo mediante fórmulas de valoración de opciones, de los valores razonables de límites superiores e inferiores ("caps" y "floors").

Así mismo en la valoración de los instrumentos financieros derivados, ha de eliminarse eficazmente el riesgo inherente al elemento o posición cubierto durante todo el plazo previsto de cobertura y tiene que haberse documentado adecuadamente que la contratación del derivado financiero tuvo lugar específicamente para servir de cobertura de determinados saldos o transacciones y la forma en que se pensaba conseguir y medir esa cobertura eficaz. Adicionalmente, el riesgo inherente requiere incluir en la valoración de los derivados, el riesgo de crédito de las partes que participan en el contrato, tanto el riesgo propio como de la contraparte. La metodología aplicada por el Grupo ha sido la del descuento de flujos considerando una tasa de descuento afectada por el riesgo propio del Grupo Testa.

Los instrumentos financieros valorados con posterioridad a su reconocimiento inicial a valor razonable, se clasifican en niveles de 1 a 3 basados en el grado en que el valor razonable es observable.

- Nivel 1: son aquellos referenciados a precios cotizados (sin ajustar) en mercados activos para activos o pasivos idénticos.
- Nivel 2: son aquellos referenciados a otros "inputs" (que no sean los precios cotizados incluidos en el nivel 1) observables para el activo o pasivo, ya sea directamente (es decir, precios) o indirectamente (es decir, derivados de los precios).
- Nivel 3: son los referenciados a técnicas de valoración, que incluyen "inputs" para el activo o pasivo que no se basan en datos de mercado observables ("inputs" no observables).

Los activos y pasivos financieros del Grupo al 31 de diciembre de 2017 valorados a valor razonable son los siguientes:

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	Miles de euros			
	Nivel 1	Nivel 2	Nivel 3	Total
Instrumentos financieros derivados de pasivo (Nota 14)	-	120	-	120
Otros Pasivos Financieros a largo plazo (Notas 3, 13 y 15)	-	-	355.565	355.565
	-	120	355.565	355.685

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	Miles de euros			
	Nivel 1	Nivel 2	Nivel 3	Total
Instrumentos financieros derivados de pasivo	-	940	-	940
	-	940	-	940

En la Nota 7 se incluye información relativa a la determinación del valor razonable de las inversiones inmobiliarias, conforme a las técnicas de valoración que se describen en dicha Nota.

5.8 Instrumentos de patrimonio

Un instrumento de patrimonio representa una participación residual en el patrimonio neto de la Sociedad Dominante, una vez deducidos todos sus pasivos.

Los instrumentos de capital emitidos por la Sociedad Dominante se registran en el patrimonio neto por el importe recibido, neto de los gastos de emisión.

La adquisición por el Grupo de instrumentos de patrimonio de la Sociedad Dominante se presenta por el coste de adquisición de forma separada como una minoración del patrimonio neto en el estado de situación financiera consolidado, con independencia del motivo que justificó su adquisición. En las transacciones realizadas con instrumentos de patrimonio propio no se reconoce ningún resultado.

La amortización posterior de los instrumentos de patrimonio de la Sociedad Dominante, da lugar a una reducción de capital por el importe del nominal de dichas acciones y la diferencia positiva o negativa entre el precio de adquisición y el nominal de las acciones se carga o abona a cuentas de reservas.

Los costes de transacción relacionados con instrumentos de patrimonio propio, se registran como una minoración del patrimonio neto, una vez considerado cualquier efecto fiscal.

5.9 Distribuciones a accionistas

Los dividendos son en efectivo y se reconocen como una reducción de patrimonio neto en el momento en el que tiene lugar su aprobación por la Junta General de Accionistas.

La Sociedad Dominante está acogida al régimen especial de las Sociedades Anónimas Cotizadas de Inversión Inmobiliaria. Según lo establecido en el artículo 6 de la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre las SOCIMI que hayan optado por el régimen fiscal especial, 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 siguientes a la conclusión de cada ejercicio y pagarse dentro del mes siguiente a la fecha del acuerdo de distribución.

Por otro lado, tal y como indica la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre, la Sociedad Dominante deberá distribuir como dividendos:

- El 100% de los beneficios procedentes de dividendos o participaciones en beneficios distribuidos por las entidades a que se refiere el apartado 1 del artículo 2 de la Ley 11/2009.
- Al menos el 50% de los beneficios derivados de la transmisión de inmuebles y acciones o participaciones a que se refiere el apartado 1 del artículo 2 de la Ley 11/2009, realizadas una vez transcurridos los plazos a que se refiere el apartado 2 del artículo 3 de la Ley 11/2009, afectos al cumplimiento de su objeto social principal. El resto de estos beneficios deberán 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, estos 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.
- Al menos el 80% 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 en la forma descrita anteriormente.

5.10 Efectivo y otros medios líquidos equivalentes

El Grupo clasifica en este epígrafe el efectivo y aquellas inversiones a corto plazo de gran liquidez que son fácilmente convertibles en efectivo, siendo el plazo de la inversión inferior a tres meses, y que no están sujetos a un riesgo relevante de cambios en su valor. Los intereses asociados a estas operaciones se registran como ingresos a medida que se devengan, y aquéllos que al cierre del ejercicio están pendientes de vencimiento se incluyen en el estado de situación financiera consolidado incrementando el saldo de este epígrafe.

5.11 Provisiones

Los Administradores de la Sociedad Dominante en la formulación de las cuentas anuales consolidadas diferencian entre:

- Provisiones: saldos acreedores que cubren obligaciones actuales derivadas de sucesos pasados, cuya cancelación es probable que origine una salida de recursos, pero que resultan indeterminados en cuanto a su importe y/o momento de cancelación.
- Pasivos contingentes: obligaciones posibles surgidas como consecuencia de sucesos pasados, cuya materialización futura está condicionada a que ocurra, o no, uno o más eventos futuros independientes de la voluntad del Grupo.

Las cuentas anuales consolidadas recogen todas las provisiones con respecto a las cuales se estima probable que se tenga que atender la obligación. Los pasivos contingentes no se reconocen en los estados financieros consolidados, sino que se informa sobre los mismos en las notas explicativas, en la medida en que no sean considerados como remotos.

Las provisiones se valoran por el valor actual de la mejor estimación posible del importe necesario para cancelar o transferir la obligación, teniendo en cuenta la información disponible sobre el suceso y sus consecuencias, y registrándose los ajustes que surjan por la actualización de dichas provisiones como un gasto financiero conforme se va devengando.

La compensación a recibir de un tercero en el momento de liquidar la obligación, siempre que no existan dudas de que dicho reembolso será percibido, se registra como activo, excepto en el caso de que exista un vínculo legal por el que se haya exteriorizado parte del riesgo, y en virtud del cual el Grupo no esté obligado a responder; en esta situación, la compensación se tendrá en cuenta para estimar el importe por el que figurará la correspondiente provisión.

5.12 Reconocimiento de ingresos

Los ingresos y 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. Los ingresos por arrendamiento se valoran por el valor razonable de la contraprestación recibida, deducidos descuentos e impuestos.

Los descuentos (carencias de rentas y bonificaciones) concedidos a clientes se registran en el momento en que es probable que se van a cumplir las condiciones que determinan su concesión como una reducción de los ingresos por ventas.

El reconocimiento de los descuentos se registra contablemente linealizando el importe total de la carencia de renta o bonificación a lo largo de todos los periodos en los que el contrato del inquilino está en vigor. En caso de finalizarse un contrato de arrendamiento antes de lo esperado, el registro de la carencia de renta o bonificación pendiente se registrará en el último periodo antes de la conclusión del contrato.

Arrendamientos a terceros de inversiones inmobiliarias

La actividad principal de las sociedades que forman el Grupo **es** la adquisición y arrendamiento de edificios residenciales. Los ingresos ordinarios del Grupo provienen del arrendamiento a terceros de estas inversiones inmobiliarias.

Los ingresos ordinarios derivados del arrendamiento de las inversiones inmobiliarias, se reconocen considerando el grado de realización de la prestación a la fecha de cierre cuando el resultado de la transacción puede ser estimado con fiabilidad. Los ingresos por arrendamientos del Grupo son reconocidos por las sociedades de forma mensual de acuerdo a las condiciones y cantidades pactadas en los diferentes contratos con los arrendatarios. Estos ingresos sólo son reconocidos cuando pueden ser valorados con fiabilidad y es probable que se reciban los beneficios económicos derivados del arrendamiento.

En el caso de prestaciones de servicios cuyo resultado final no puede ser estimado con fiabilidad, los ingresos sólo se reconocen hasta el límite de los gastos reconocidos que son recuperables.

Los gastos de comunidad que se refacturan a los arrendatarios se presentan netos de otros gastos de explotación.

5.13 Impuesto sobre las ganancias

5.13.1 Régimen general

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 el Grupo 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 corresponden con el reconocimiento y la cancelación de los activos y pasivos por impuesto diferido. Estos 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.

Se reconocen pasivos por impuesto diferido para todas las diferencias temporarias imponibles, salvo para aquellas en las que la diferencia temporaria se deriva del reconocimiento inicial del fondo de comercio cuya amortización no es deducible a efectos fiscales o del reconocimiento inicial de otros activos y pasivos en operaciones que no afecten ni al resultado fiscal ni al resultado contable.

Por su parte, los activos por impuesto diferido 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.

Los activos y pasivos por impuesto diferido, 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 y éstos son objeto de reconocimiento en la medida en que pase a ser probable su recuperación con beneficios fiscales futuros.

5.13.2 Régimen SOCIMI

El régimen fiscal especial de las SOCIMI, tras su modificación por la Ley 16/2012, de 27 de diciembre, se construye sobre la base de una tributación a un tipo del 0 por ciento en el Impuesto sobre Sociedades, siempre que se cumplan determinados requisitos. Entre ellos, merece la pena destacar la necesidad de que su activo, al menos en un 80 por ciento, esté constituido por inmuebles urbanos destinados al arrendamiento y adquiridos en plena propiedad o por participaciones en sociedades que cumplan los mismos requisitos de inversión y de distribución de resultados, españolas o extranjeras, coticen o no en mercados organizados. Igualmente, las principales fuentes de rentas de estas entidades deben provenir del mercado inmobiliario, ya sea del alquiler, de la posterior venta de inmuebles tras un periodo mínimo de alquiler o de las rentas procedentes de la participación en entidades de similares características. No obstante, el devengo del Impuesto se realiza de manera proporcional a la distribución de dividendos. Los dividendos percibidos por los socios estarán exentos, salvo que el perceptor sea una persona jurídica sometida al Impuesto sobre Sociedades o un establecimiento permanente de una entidad extranjera, en cuyo caso se establece una deducción en la cuota íntegra, de manera que estas rentas tributen al tipo de gravamen del socio. Sin embargo, el resto de rentas no serán gravadas mientras no sean objeto de distribución a los socios.

Tal y como establece la Disposición transitoria novena 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, la entidad estará sometida a un tipo de gravamen especial del 19 por ciento sobre el importe íntegro de los dividendos o participaciones en beneficios distribuidos a los socios cuya participación en el capital social de la entidad sea igual o superior a un 5 por ciento, cuando dichos dividendos, en sede de sus socios, estén exentos o tributen a un tipo de gravamen inferior al 10 por ciento. En este sentido, el Grupo tiene establecido el procedimiento a través del cual se garantiza la confirmación por parte de los accionistas de su tributación procediendo, en su caso, a retener el 19% del importe del dividendo distribuido a los accionistas que no cumplan con los requisitos fiscales mencionados anteriormente.



5.14 Indemnizaciones por despido

De acuerdo con la legislación vigente, las sociedades del Grupo están obligadas al pago de indemnizaciones a aquellos empleados con los que, bajo determinadas condiciones, rescinda sus relaciones laborales sin causa justificada. Por tanto, las indemnizaciones por despido susceptibles de cuantificación razonable se registran como gasto en el ejercicio en el que se adopta la decisión del despido. En las cuentas anuales consolidadas al 31 de diciembre de 2017 no se han registrado provisión alguna por este concepto, ya que no están previstas situaciones de esta naturaleza.

5.15 Activos y pasivos corrientes

El Grupo presenta el estado de situación financiera consolidado clasificando activos y pasivos entre corriente y no corriente. A estos efectos son activos o pasivos corrientes aquellos que cumplan los siguientes criterios:

- Los activos se clasifican como corrientes cuando se espera realizarlos o se pretende venderlos o consumirlos en el transcurso del ciclo normal de la explotación del Grupo, se mantienen fundamentalmente con fines de negociación, se espera realizarlos dentro del periodo de los doce meses posteriores a la fecha de cierre o se trata de efectivo u otros medios líquidos equivalentes, excepto en aquellos casos en los que no puedan ser intercambiados o utilizados para cancelar un pasivo, al menos dentro de los doce meses siguientes a la fecha de cierre.
- Los pasivos se clasifican como corrientes cuando se espera liquidarlos en el ciclo normal de la explotación del Grupo, se mantienen fundamentalmente para su negociación, se tienen que liquidar dentro del periodo de doce meses desde la fecha de cierre o el Grupo no tiene el derecho incondicional para aplazar la cancelación de los pasivos durante los doce meses siguientes a la fecha de cierre.
- Los instrumentos financieros derivados, que no se mantienen con fines de negociación, se clasifican como corrientes o no corrientes atendiendo al plazo de vencimiento o de liquidación periódica de los mismos.

5.16 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.

Los Administradores de la Sociedad Dominante consideran que el Grupo tiene como único negocio la prestación de servicios de arrendamiento de viviendas, situadas todos ellos en territorio español, por lo tanto, toda la actividad que presta el Grupo configura un único segmento operativo de negocio.

5.17 Beneficio básico por acción

El beneficio básico por acción se calcula como el cociente entre el beneficio neto del ejercicio atribuible a la Sociedad Dominante y el número medio ponderado de acciones ordinarias en circulación durante dicho ejercicio, sin incluir el número medio de acciones de la Sociedad Dominante en cartera de las sociedades del Grupo.

5.18 Beneficio diluido por acción

El beneficio por acción diluido se calcula ajustando el beneficio del ejercicio atribuible a los tenedores de instrumentos de patrimonio neto de la Sociedad Dominante y el número medio ponderado de acciones ordinarias en circulación por todos los efectos dilutivos inherentes a las acciones ordinarias potenciales, es decir, como si se hubiera llevado a cabo la conversión de todas las acciones ordinarias potencialmente dilutivas.

La Sociedad Dominante no tiene diferentes clases de acciones ordinarias potencialmente dilutivas.

5.19 Medioambiente

El Grupo realiza operaciones cuyo propósito principal es prevenir, reducir o reparar el daño que como resultado de sus actividades pueda producir sobre el medio ambiente.

Los gastos derivados de las actividades medioambientales se reconocen como gastos de explotación en el ejercicio en el que se incurren. No obstante, la actividad del Grupo, por su naturaleza no tiene impacto medioambiental significativo.

5.20 Estados de flujos de efectivo consolidados

En los estados de flujos de efectivo consolidados, preparados de acuerdo al método indirecto, se utilizan las siguientes expresiones en los siguientes sentidos:

1. Flujos de efectivo: entradas y salidas de dinero en efectivo y de sus equivalentes, entendiendo por éstos las inversiones a corto plazo de gran liquidez y bajo riesgo de alteraciones en su valor.
2. Actividades de explotación: actividades típicas de las entidades que forman el Grupo consolidado, así como otras actividades que no pueden ser calificadas como de inversión o de financiación.
3. Actividades de inversión: las de adquisición, enajenación o disposición por otros medios de activos a largo plazo y otras inversiones no incluidas en el efectivo y sus equivalentes.
4. 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.

6. Proyectos concesionales y otros activos intangibles

El movimiento de los ejercicios 2017 y 2016 del epígrafe inmovilizado intangible es el siguiente:

Ejercicio 2017

	Miles de euros		
	31.12.2016	Adiciones/ Dotaciones	31.12.2017
Coste:			
Aplicaciones Informáticas	37	98	135
Proyectos Concesionales	162.523	50	162.573
Amortización Acumulada:			
Aplicaciones Informáticas	(3)	(33)	(36)
Proyectos Concesionales	(3.147)	(3.083)	(6.230)
Total Inmovilizado intangible	159.410		156.442

Ejercicio 2016

	Miles de euros		
	Integración de negocios	Adiciones/ Dotaciones	31.12.2016
Coste:			
Aplicaciones Informáticas	37	-	37
Proyectos Concesionales	162.523	-	162.523
Amortización Acumulada:			
Aplicaciones Informáticas	-	(3)	(3)
Proyectos Concesionales	(2.340)	(807)	(3.147)
Total Inmovilizado intangible	160.220		159.410

Los proyectos concesionales (cuyos titulares son Testa Residencial SOCIMI, S.A. y Testa Alquileres Urbanos, S.L.U. al 50%) corresponden a la concesión administrativa del complejo de viviendas denominado "Bentaberri" situado en San Sebastián (Guipúzcoa). Este complejo de viviendas se explota bajo régimen de concesión administrativa concedida por el Gobierno Vasco por una duración total de 75 años con vencimiento en 2069.

Todo el inmovilizado intangible del Grupo se encuentra afecto a actividades empresariales propias de su actividad y está situado dentro del territorio nacional. Las concesiones del Grupo se corresponden con inmuebles destinados a su explotación en régimen de alquiler para uso de vivienda exclusivamente.

Al 31 de diciembre 2017 y 2016 el Grupo explotaba en este epígrafe 47.302,06 metros cuadrados de superficie bruta alquilable con un grado de ocupación del 97% y 99%, respectivamente.

El Grupo no tiene inmovilizado intangible completamente amortizado al cierre del ejercicio 2017 ni 2016.

Al 31 de diciembre de 2017 el Grupo, tiene bajo garantía hipotecaria el complejo de viviendas Bentaberri, en garantía de un préstamo de importe de 24.246 miles de euros (véase Nota 14).

El Grupo tiene adecuadamente asegurado este inmovilizado.

Deterioro de valor

La determinación del valor razonable del proyecto concesional ha sido realizada por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC). La metodología utilizada para determinar el valor razonable de los activos inmobiliarios se detalla en la Nota 7.

El valor recuperable del proyecto concesional al 31 de diciembre de 2017 calculado en función de las valoraciones realizadas por Savills Consultores Inmobiliarios, S.A, no vinculados al Grupo, asciende a 164.704 miles de euros (162.820 miles de euros al 31 de diciembre de 2016). De acuerdo con esta valoración del experto independiente, no hay activos cuyo valor recuperable sea inferior al valor neto en libros.

Ingresos y gastos relacionados

Los ingresos del ejercicio 2017 y 2016 derivados de la renta proveniente de las concesiones del Grupo ascendieron a 3.986 y 1.092 miles de euros, respectivamente y los gastos netos de explotación por todos los conceptos relacionados con las mismas ascendieron a 360 y 150 miles de euros, respectivamente.

7. Inversiones inmobiliarias

La composición y el movimiento de este epígrafe durante el ejercicio 2017 y 2016 se muestran a continuación:

Ejercicio 2017

	Miles de euros					
	31.12.2016	Combinación de negocios (Nota 3)	Adiciones	Retiros	Variación de valor de las inversiones inmobiliarias	31.12.2017
Inmuebles para arrendamiento	912.304	413.601	719.050	(4.085)	65.209	2.106.079
Inversiones inmobiliarias	912.304	413.601	719.050	(4.085)	65.209	2.106.079

Ejercicio 2016

	Miles de euros					
	Integración de negocios	Adiciones	Retiros	Variación de valor de las inversiones inmobiliarias	31.12.2016	
Inmuebles para arrendamiento	892.875	-	(4.524)	23.953	912.304	
Inversiones inmobiliarias	892.875	-	(4.524)	23.953	912.304	

Inmuebles para arrendamiento

El movimiento de los inmuebles para arrendamiento registrado en el ejercicio 2017, tiene su origen en los siguientes hechos:

- En marzo de 2017, la Sociedad Dominante del Grupo ha incorporado activos inmobiliarios por importe de 659.723 miles de euros, como resultado de la suscripción de la ampliación de capital no dineraria con las entidades financiera accionistas, descrita en la Nota 3, los cuales corresponden principalmente a viviendas situadas en Andalucía, Aragón, Asturias, Canarias, Madrid, País Vasco, Cataluña, Baleares, Navarra, Comunidad Valenciana, Castilla León, Castilla La Mancha, Galicia y Navarra.
- En septiembre de 2017, el Grupo ha incorporado activos inmobiliarios por importe de 413.601 miles de euros, como resultado de la combinación de negocios con Acciona Real Estate S.L., descrita en la Nota 3, los cuales corresponden principalmente a viviendas situadas en Madrid y Lérica.
- En septiembre de 2017, la Sociedad Dominante del Grupo ha incorporado activos inmobiliarios por importe de 5.367 miles de euros, como resultado de la ampliación de capital no dineraria suscrita con Real Estate Deal II, S.A.en Liquidación, los cuales corresponden a viviendas situadas en calle Calcio, Madrid.
- En septiembre de 2017, la Sociedad Dominante del Grupo adquirió activos inmobiliarios a un tercero por importe de 45.217 miles de euros, los cuales corresponden a viviendas situadas en Madrid.
- En diciembre de 2017, la Sociedad Dominante del Grupo adquirió activos inmobiliarios a un tercero por importe de 4.228 miles de euros, los cuales corresponden a viviendas situadas en Vallecas, Madrid.
- Adicionalmente, en el ejercicio 2017, la Sociedad Dominante y el resto de sociedades dependientes del Grupo han realizado inversiones en mejoras de sus activos por un importe de 4.496 miles de euros, de los cuales 1.157 miles de euros corresponden a mayor coste de adquisición de los activos anteriormente mencionados.
- En relación con las bajas, en el ejercicio 2017, el Grupo ha vendido 12 viviendas situadas en la Comunidad de Madrid por un importe total de 4.371 miles de euros. El resultado generado por esta operación ha ascendido a un beneficio de 286 miles de euros que se encuentra registrado en el epígrafe de "Resultados por enajenación de inmovilizado" de la cuenta de resultados consolidada del ejercicio 2017 adjunta.

El movimiento de los inmuebles para arrendamiento registrado en el ejercicio 2016, tiene su origen en los siguientes hechos:

- Tras la integración de negocios residenciales de Merlin y Metrovacesa descrita en la Nota 3, el Grupo incorporo las inversiones inmobiliarias procedentes de la misma, las cuales corresponden principalmente a viviendas situadas en Madrid, País Vasco, Cataluña, Baleares, Navarra, Comunidad Valenciana, Castilla León y Castilla La Mancha.
- Por otra parte, la Sociedad Dominante vendió 15 viviendas situadas en la Comunidad de Madrid y Cataluña por un importe total de 4.687 miles de euros. El resultado generado por esta operación ascendió a un beneficio de 163 miles de euros, que se encuentra registrada en el epígrafe de "Resultados por enajenaciones de inmovilizado" de la cuenta de resultados consolidada del ejercicio 2017.

Las inversiones inmobiliarias se presentan valoradas a valor razonable. El importe del ingreso registrado en la cuenta de resultados consolidada del ejercicio 2017 por la valoración a valor razonable de las inversiones inmobiliarias asciende a 65.209 miles de euros (23.953 miles de euros en el ejercicio 2016).

Es política del Grupo contratar todas las pólizas de seguros que se estimen necesarias para dar cobertura a los riesgos que pudieran afectar a las inversiones inmobiliarias. Al 31 de diciembre de 2017, los Administradores de la Sociedad Dominante estiman que no existe déficit de cobertura alguno relacionado con dichos riesgos.

El Grupo al 31 de diciembre del 2017, no mantiene compromisos de compra en firme de inversiones inmobiliarias. En el ejercicio 2017 no se han capitalizado gastos financieros.

A 31 de diciembre de 2017 el Grupo, tiene bajo garantía hipotecaria diversos inmuebles, en garantía de préstamos por importe de 101.216 miles de euros (véase Nota 14).

Al 31 de diciembre de 2017 y 2016, el Grupo explotaba en este epígrafe 790.437 metros cuadrados de superficie bruta alquilable de viviendas y 41.605 metros cuadrados de superficie bruta comercial a 31 de diciembre de 2017

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y 392.568 metros cuadrados de superficie bruta alquilable de viviendas y 17.523 metros cuadrados de superficie bruta comercial a 31 de diciembre de 2016, con un grado de ocupación del 90% y 91% respectivamente.

Ingresos y gastos relacionados

En el ejercicio 2017 y 2016 los ingresos derivados de rentas provenientes de las inversiones inmobiliarias propiedad del Grupo ascendieron a 48.244 y 7.914 miles de euros, respectivamente, y los gastos netos de explotación por los conceptos relaciones con las mismas ascendieron a 12.731 y 2.199 miles de euros, respectivamente.

Medición del valor razonable y sensibilidad

Todas las propiedades de inversión alquiladas o que estén previstas alquilar en régimen de arrendamiento operativo se clasifican como inversiones inmobiliarias.

De acuerdo con la NIC 40, el Grupo determina periódicamente el valor razonable de los elementos de inversiones inmobiliarias de forma que, al cierre de cada semestre, el valor razonable refleja las condiciones de mercado de los elementos de propiedades de inversión a dicha fecha. Dicho valor razonable se determina semestralmente tomando como referencia las valoraciones realizadas por expertos independientes. El valor de mercado de las inversiones inmobiliarias del Grupo al 31 de diciembre de 2017 y 2016, calculado en función de valoraciones realizadas por Savills Consultores Inmobiliarios, S.A., valoradores independientes no vinculados al Grupo, asciende a 2.106.079 miles de euros (912.304 miles de euros al 31 de diciembre de 2016). 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, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC), utilizando el método del descuento de flujos de caja aplicando dos supuestos diferentes que consisten en lo siguiente:

Supuesto de rentabilidad (utilizado para todos aquellos inmuebles sobre los que el Grupo dispone de la totalidad de las unidades): La metodología utilizada para calcular el valor de mercado de bienes de inversión, consiste en la preparación de 10 años de las proyecciones de los ingresos y los gastos de cada activo que luego se actualizará a la fecha del estado de situación financiera, mediante una tasa de descuento de mercado. La cantidad residual al final del año 10 se calcula aplicando una tasa de retorno ("Exit yield" o "Cap rate") de las proyecciones de los ingresos netos del año 11. Los valores de mercado así obtenidos son analizados mediante el cálculo y el análisis de la capitalización de rendimiento que está implícito en esos valores. Las proyecciones están destinadas a reflejar la mejor estimación sobre el futuro de ingresos y gastos de los activos inmobiliarios. Tanto la tasa de retorno y la tasa de descuento se definen de acuerdo al mercado nacional y las condiciones del mercado institucional. El porcentaje de las inversiones inmobiliarias valoradas bajo este supuesto asciende al 51% del total.

Supuesto de liquidación (utilizado para todos aquellos inmuebles sobre los que el Grupo no dispone de la totalidad de las unidades): La metodología utilizada para calcular el valor de mercado de bienes de inversión asume la liquidación de viviendas una vez el contrato expira. Consiste en la preparación de las proyecciones de los ingresos y los gastos de cada activo que se actualizarán a la fecha del estado de situación financiera, mediante una tasa de descuento de mercado. Los precios de venta se obtienen al comparar la propiedad objeto de estudio con otras de similares características, recientemente vendidas o que se estén ofertando en el mercado, realizando los ajustes correspondientes en base a factores diferenciadores. Las proyecciones están destinadas a reflejar la mejor estimación sobre el futuro de ingresos y gastos de los activos inmobiliarios. La tasa de descuento se define de acuerdo al mercado nacional y las condiciones del mercado institucional. El porcentaje de las inversiones inmobiliarias valoradas bajo este supuesto asciende al 49% del total.

En cualquier caso, considerando la situación del mercado patrimonial, podrían ponerse de manifiesto diferencias significativas entre el valor razonable de las inversiones inmobiliarias de Grupo y el valor de realización efectivo de las mismas. Los honorarios pagados por el Grupo a las sociedades de valoración por las valoraciones al 31 de diciembre de 2017 y 2016 son como siguen:

	Miles de euros	
	2017	2016
Por servicios de valoración	131	55
Total	131	55

Desgloses sobre el valor razonable de las inversiones inmobiliarias

El detalle de los activos a valor razonable y la jerarquía en la que están clasificados es como sigue:

Ejercicio 2017

TESTA RESIDENCIAL, SOCIMI, S.A. Y SOCIEDADES DEPENDIENTES

Cuentas Anuales e Informe de Gestión. Ejercicio 2017. 35 de 91

	Miles de euros			
	Total	Nivel 1	Nivel 2	Nivel 3
Valoraciones a valor razonable recurrentes	2.106.079	-	-	2.106.079
<i>Inversiones inmobiliarias</i>				
Viviendas	2.106.079	-	-	2.106.079
Total activos valorados a valor razonable de forma recurrente	2.106.079	-	-	2.106.079

Ejercicio 2016

	Miles de euros			
	Total	Nivel 1	Nivel 2	Nivel 3
Valoraciones a valor razonable recurrentes	912.304	-	-	912.304
<i>Inversiones inmobiliarias</i>				
Viviendas	912.304	-	-	912.304
Total activos valorados a valor razonable de forma recurrente	912.304	-	-	912.304

Durante los ejercicios 2017 y 2016 no se han producido traspasos de activos entre los diferentes niveles.

A 31 de diciembre de 2017 y 2016, el detalle de la superficie bruta y es el siguiente:

31 de diciembre 2017	Metros Cuadrados								% Ocupación
	Superficie Bruta Alquilable								
	Com. Madrid	Cataluña	Castilla y León	Galicia	Andalucía	Com. Valenciana	Resto España	Total	
Inversiones Inmobiliarias	457.302	36.764	32.516	54.612	4.700	47.571	198.576	832.042	89%
% Peso	54,96%	4,42%	3,91%	6,56%	0,56%	5,72%	23,87%		

31 de diciembre 2016	Metros Cuadrados								% Ocupación
	Superficie Bruta Alquilable								
	Com. Madrid	Cataluña	Castilla y León	Galicia	Andalucía	Com. Valenciana	Resto España	Total	
Inversiones Inmobiliarias	237.782	10.196	20.284	-	-	32.600	109.229	410.090	91%
% Peso	57,98%	2,49%	4,95%	0,00%	0,00%	7,95%	26,63%		

Las principales hipótesis utilizadas en el cálculo del valor razonable de los activos inmobiliarios han sido las siguientes:

Ejercicio 2017

Comunidades Autónomas	Tasa de descuento (%)	Exit Yield (%)	Renta media de mercado (€/m2/mes)	Precio de venta medio (Euros/m2)
Madrid	6,29	4,51	11,82	3.115
Cataluña	5,97	4,59	11,70	3.176
Galicia	6,89	5,17	5,71	1.959
Resto de comunidades	6,75	5,16	7,41	1.868
Total	6,29	4,62	9,89	2.666

El efecto de la variación de un cuarto, medio y un de punto en las tasas de rentabilidad exigida, tanto en los supuestos basados en rentabilidad y liquidación calculadas como renta sobre el valor de mercado de los activos, en el activo consolidado y en la cuenta de resultados consolidada, con respecto a las inversiones inmobiliarias, sería el siguiente:

	Miles de euros					
	31.12.2017					
	Activo			Resultado neto Consolidado		
	0,25%	0,50%	1%	0,25%	0,50%	1%
Aumento de la tasa de rentabilidad	(25.886)	(51.043)	(100.200)	(25.886)	(51.043)	(100.200)
Disminución de la tasa de rentabilidad	26.456	53.516	109.475	26.456	53.516	109.475

El efecto de la variación de un 1%, 5% y 10% en las rentas consideradas, tanto en los supuestos basados en rentabilidad y liquidación tiene los siguientes impactos en el activo consolidado y en la cuenta de pérdidas y ganancias consolidada, con respecto a las inversiones inmobiliarias, sería el siguiente:

	Miles de euros					
	31.12.2017					
	Activo			Resultado neto Consolidado		
	1%	5%	10%	1%	5%	10%
Aumento de las rentas	10.226	51.001	102.199	10.226	51.001	102.199
Disminución de las rentas	(10.732)	(53.795)	(108.407)	(10.732)	(53.795)	(108.407)

El efecto de la variación de un cuarto y medio punto en las Exit Yield, consideradas, en el supuesto basado en rentabilidad calculadas como el resultado de dividir el ingreso operativo neto del último año del período analizado entre el valor de salida estimado, en el activo consolidado y en la cuenta de resultados consolidada, con respecto a las inversiones inmobiliarias, sería el siguiente:

	Miles de euros			
	31.12.2017			
	Activo		Resultado neto Consolidado	
	0,25%	0,50%	0,25%	0,50%
Aumento de la Exit Yield	(48.944)	(91.959)	(48.944)	(91.959)
Disminución de la Exit Yield	56.221	121.553	56.221	121.553

El efecto de la variación de un 1%, 5% y 10% en el precio de venta consideradas, tanto en el supuesto basado en liquidación tiene el siguiente impacto en el activo consolidado y en la cuenta de pérdidas y ganancias consolidada, con respecto a las inversiones inmobiliarias, sería el siguiente:

	Miles de euros					
	31.12.2017					
	Activo			Resultado neto Consolidado		
	1%	5%	10%	1%	5%	10%
Aumento precio de venta	9.424	47.143	94.796	9.424	47.143	94.796
Disminución precio de venta	(9.436)	(47.153)	(94.451)	(9.436)	(47.153)	(94.451)



8. Acuerdos de concesión, derechos de cobro

La composición y el movimiento de este epígrafe durante el ejercicio 2017 y 2016 se muestran a continuación:

Ejercicios 2017

	Miles de euros				
	31.12.2016	Combinación de negocios (Nota 3)	Actualización	Cobros	31.12.2017
Coste:					
Acuerdos de concesión, derechos de cobros	3.587	2.966	416	(2.231)	4.738
Acuerdos de concesión, derechos de cobro	3.587	2.966	416	(2.231)	4.738

Ejercicio 2016

	Miles de euros			
	Integración de negocios	Actualización	Cobros	31.12.2016
Coste:				
Acuerdos de concesión, derechos de cobros	4.151	(211)	(353)	3.587
Acuerdos de concesión, derechos de cobro	4.151	(211)	(353)	3.587

Al 31 de diciembre de 2016, la Sociedad Dominante tenía registrado en este epígrafe del estado de situación consolidada los acuerdos de concesión de los complejos de viviendas denominados "Campo de Tiro" en Leganés y "Usera", en Madrid.

En septiembre de 2017, el Grupo ha incorporado acuerdos de concesión por importe de 2.966 miles de euros, como resultado de la combinación de negocios con Acciona Real Estate, S.L. (Véase Nota 3).

El Grupo califica la contraprestación recibida de los mencionados acuerdos de concesión como activo financiero, dado que la contraprestación recibida consiste en un derecho incondicional a recibir efectivo, que permite la recuperación de la inversión realizada, obteniendo un margen razonable. Por tanto, el Grupo no asume el riesgo de demanda en el acuerdo de concesión.

Las principales características de estos acuerdos de concesión son las siguientes:

- Campo de Tiro (Leganés)

Con fecha 20 de abril de 1998 mediante escritura pública, el Instituto de la Vivienda de Madrid (IVIMA) concedió a la Sociedad Dominante un derecho de superficie oneroso con una duración de 20 años, desde su inscripción en el registro (22 mayo de 1998), sobre una parcela situada en el término municipal de Leganés (Madrid). Dicho derecho de superficie consiste en la construcción, dentro de los 3 primeros años de la concesión, de 80 viviendas de protección oficial en régimen especial de arrendamiento y 103 plazas de parking asociadas a las mismas, así como su posterior arrendamiento al IVIMA para que éste efectúe su explotación como viviendas de protección oficial en arrendamiento con los requisitos que establece el pliego de condiciones de adjudicación.

Con fecha 28 de diciembre de 2000, en cumplimiento de lo establecido en el pliego de condiciones y en la escritura de adjudicación del derecho de superficie, se firmó con el IVIMA un contrato de arrendamiento que terminará el 22 de mayo de 2018, fecha en la cual finaliza la concesión del derecho de superficie y revierte el inmueble al IVIMA sin pago de indemnización y no existiendo opción de renovación ni de rescisión. En el contrato de arrendamiento se establece una renta, de 36 miles de euros al mes, como precio de adjudicación del derecho de superficie, renta que es actualizada anualmente por el IPC correspondiente.

- Usera (Madrid)

Con fecha 8 de marzo de 2000 mediante escritura pública, el Instituto de la Vivienda de Madrid (IVIMA) concedió a la Sociedad Dominante un derecho de superficie oneroso con una duración de 20 años, desde su inscripción en el registro (1 junio de 2000), sobre una parcela situada en el término municipal de Madrid en su distrito de Usera. Dicho derecho de superficie consiste en la construcción, dentro de los 3 primeros años de la concesión, de 148 viviendas de protección oficial en arrendamiento y 148 plazas de parking asociadas a las mismas, así como su posterior arrendamiento al propio IVIMA para que éste efectúe su explotación con los requisitos que establece el pliego de condiciones de adjudicación.

Con fecha 8 de julio de 2003, en cumplimiento de lo establecido en el pliego de condiciones y en la escritura de adjudicación del derecho de superficie, se firmó con el IVIMA un contrato de arrendamiento con vigencia hasta el 31 de mayo de 2020, fecha en la cual finaliza la concesión del derecho de superficie y revertirá el inmueble al IVIMA sin pago de indemnización, no existiendo opción de renovación ni de rescisión. En el contrato de arrendamiento se establece una renta, 59 miles de euros al mes, como precio de adjudicación del derecho de superficie, renta que será actualizada anualmente por el IPC correspondiente.

- Torrejón de Ardoz (Madrid)

Con fecha 9 de julio de 1998 mediante escritura pública, el Instituto de la Vivienda de Madrid (IVIMA) concedió a la sociedad dependiente Valdgrand 6 S.A.U. un derecho de superficie oneroso con una duración de 20 años, desde su inscripción en el registro (9 de septiembre de 1998), sobre una parcela situada en el término municipal de Torrejón de Ardoz en Madrid. Dicho derecho de superficie consiste en la construcción, dentro de los 3 primeros años de la concesión, de 64 viviendas de protección oficial en arrendamiento y 64 plazas de parking asociadas a las mismas, así como su posterior arrendamiento al propio IVIMA para que éste efectúe su explotación con los requisitos que establece el pliego de condiciones de adjudicación.

Con fecha 20 de junio de 2001, en cumplimiento de lo establecido en el pliego de condiciones y en la escritura de adjudicación del derecho de superficie, se firma con el IVIMA un contrato de arrendamiento con vigencia hasta el 9 de septiembre de 2018, fecha en la cual finaliza la concesión del derecho de superficie y revertirá el inmueble al IVIMA sin pago de indemnización, no existiendo opción de renovación ni de rescisión. En el contrato de arrendamiento se establece una renta, 28 miles de euros al mes, como precio de adjudicación del derecho de superficie, renta que será actualizada anualmente por el IPC correspondiente.

- Ventilla (Madrid)

Con fecha 22 de julio de 2005 mediante escritura pública, el Instituto de la Vivienda de Madrid (IVIMA) concedió a la sociedad dependiente Valdgrand 6 S.A.U. un derecho de superficie oneroso con una duración de 20 años, desde su inscripción en el registro (28 de julio de 2003), sobre una parcela situada en el término municipal de Ventilla en Madrid. Dicho derecho de superficie consiste en la construcción, dentro de los 2 primeros años de la concesión, de 90 viviendas de protección oficial en arrendamiento y 90 plazas de parking asociadas a las mismas, así como su posterior arrendamiento al propio IVIMA para que éste efectúe su explotación con los requisitos que establece el pliego de condiciones de adjudicación.

Con fecha 20 de octubre de 2005, en cumplimiento de lo establecido en el pliego de condiciones y en la escritura de adjudicación del derecho de superficie, se firma con el IVIMA un contrato de arrendamiento con vigencia hasta el 28 de julio de 2023, fecha en la cual finaliza la concesión del derecho de superficie y revertirá el inmueble al IVIMA sin pago de indemnización, no existiendo opción de renovación ni de rescisión. En el contrato de arrendamiento se establece una renta, 48 miles de euros al mes, como precio de adjudicación del derecho de superficie, renta que será actualizada anualmente por el IPC correspondiente.

La característica común de dichos contratos es que todos los gastos y cargas que graven la propiedad del inmueble serán a cargo del arrendador (el Grupo), excepto el Impuesto sobre Bienes Inmuebles que será asumido por el arrendatario.

A su vez también será a cargo del arrendador las obras de reparación, conservación y mantenimiento de los inmuebles, sus instalaciones y servicios, obligándose a presentar al IVIMA un informe anual de las actuaciones realizadas y llevadas a cabo las referidas obras a requerimiento de éste.

Durante el ejercicio 2017 no se han efectuado actuaciones significativas en ninguno de los inmuebles que sean dignas de ser mencionadas en esta memoria, así como tampoco se tiene previsto ninguna actuación significativa en el futuro.

Las magnitudes relevantes recogidas en el Plan Económico Financiero de los acuerdos concesionales son la renta de alquiler, los gastos, el Índice de Precios al Consumo estimado y la rentabilidad de mercado para cada uno de los proyectos.

Durante el ejercicio 2017 los acuerdos concesionales no han sufrido modificaciones contractuales.

La determinación del valor razonable de los acuerdos concesionales ha sido realizada por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC). La metodología utilizada para determinar el valor razonable del activo se detalla en la Nota 7.

El valor recuperable de acuerdos concesionales del Grupo al 31 de diciembre de 2017 calculado en función de las valoraciones realizadas por Savills Consultores Inmobiliarios, S.A., no vinculados a al Grupo, asciende a 4.738 miles de euros (3.484 miles de euros al 31 de diciembre de 2016). De acuerdo con esta valoración del experto independiente, no hay activos cuyo valor recuperable sea inferior al valor neto en libros.

Al 31 de diciembre de 2017 la Sociedad Dominante, tiene bajo garantía hipotecaria el complejo de viviendas propiedad de la Sociedad situado en Leganés y conocido como "Campo de Tiro" (junto con otras propiedades inmobiliarias registradas en el epígrafe de "Inversiones Inmobiliarias") en garantía de un préstamo dispuesto de importe de 21.016 miles de euros (véase Nota 14). Bajo dicho contrato de deuda hipotecaria se establece la posibilidad de liberar la garantía hipotecaria de una o varias de las fincas asociadas a la misma.

9. Arrendamientos

a) Arrendamientos operativos como arrendatario

Al cierre de los ejercicios 2017 y 2016 el Grupo tiene contratadas con los arrendadores las siguientes cuotas de arrendamiento mínimas, de acuerdo con los actuales contratos en vigor, sin tener en cuenta repercusión de gastos comunes, incrementos futuros por IPC, ni actualizaciones futuras de rentas pactadas contractualmente (en miles de euros):

Arrendamientos operativos Cuotas mínimas	Valor nominal	
	2017	2016
Menos de un año	158	132
Entre uno y cinco años	169	254
Total	327	386

Desde el 1 de febrero de 2017, la Sociedad Dominante ha suscrito un contrato para el arrendamiento de sus nuevas oficinas en Paseo de la Castellana 257, 2ª planta, Madrid, con una duración de 3 años. La renta anual a abonar por la Sociedad Dominante asciende a 157 miles de euros.

El gasto total devengado por el Grupo por arrendamientos durante el ejercicio 2017 asciende a 216 miles de euros y se encuentra registrado en el epígrafe de "Otros gastos de explotación" de la cuenta de resultados consolidada del ejercicio 2017 adjunta (véase Nota 19.3). El principal gasto que recoge esta cifra es por el alquiler de las oficinas en Paseo Castellana 257, planta 2ª (lugar de su domicilio social).

b) Arrendamientos operativos como arrendador

Al cierre de los ejercicios 2017 y 2016 el Grupo tiene contratado con los arrendatarios las siguientes cuotas de arrendamiento mínimas, de acuerdo con los actuales contratos en vigor, sin tener en cuenta la repercusión de gastos comunes, incrementos futuros por IPC, ni actualizaciones futuras de rentas pactadas contractualmente:

Cuotas mínimas	Miles de Euros	
	2017	2016
Menos de un año	58.094	9.686
Entre uno y cinco años	72.733	28.400
Más de cinco años	5.887	11.454
Total	136.714	49.540

La diferencia principal entre las cifras del 2017 y 2016 se debe a las operaciones de aportación no dineraria por parte de las entidades financieras y Acciona Real Estate, S.L. que se produjeron el 7 de marzo de 2017 y 14 de septiembre de 2017, respectivamente, así como el resto de adquisiciones de activos inmobiliarios durante el ejercicio 2017 (véase Nota 7).

El importe de las cuotas de arrendamiento operativo, así como la repercusión de gastos comunes reconocidas respectivamente como ingreso en el ejercicio 2017 y 2016 son los siguiente:

	Miles de Euros	
	2017	2016
Rentas devengadas por arrendamiento (Nota 19.1)	52.439	9.035
Repercusión gastos comunes (Nota 19.3)	2.319	509
Total	54.758	9.544

La repercusión de gastos a los arrendatarios de los ejercicios 2017 y 2016 se presenta en la cuenta de resultados consolidada adjunta disminuyendo el saldo de "Otros gastos de explotación".

10. Otros activos financieros a largo plazo

Dentro de este epígrafe del estado de situación financiera consolidado se incluyen principalmente las fianzas constituidas en concepto de garantía cuyo saldo al 31 de diciembre de 2017 y 2016 asciende a 5.074 y 3.814 miles de euros, respectivamente.

11. Deudores comerciales y otras cuentas por cobrar

Al 31 de diciembre de 2017 y 2016 el epígrafe "Deudores comerciales y otras cuentas por cobrar" incluye los siguientes conceptos:

	Miles de euros	
	2017	2016
Clientes por ventas y prestación de servicios	702	1.723
Deudores varios	632	1.541
Deterioro de clientes por ventas y prestación de servicios	(300)	(813)
Activos por Impuesto Corriente	13	-
Otros créditos con las Administraciones Públicas	385	1
	1.432	2.452

Con carácter general, estas cuentas a cobrar no devengan tipo de interés alguno y su condición de cobro principal es al contado.

El Grupo analiza de forma periódica el riesgo de insolvencia de sus cuentas por cobrar actualizando la provisión por deterioro correspondiente. Los Administradores de la Sociedad Dominante consideran que el importe de las cuentas de deudores comerciales y otras cuentas a cobrar se aproxima a su valor razonable.

El movimiento de la provisión por deterioro e incobrabilidad del ejercicio 2017 y 2016 ha sido el siguiente:

	Miles de euros
Integración de negocios	(748)
Dotaciones	(65)
Aplicaciones	-
Saldo al 31 de diciembre de 2016	(813)
Dotaciones (Nota 19.3)	(300)
Aplicaciones	813
Saldo al 31 de diciembre de 2017	(300)

La antigüedad de las cuentas por cobrar deterioradas es en su mayor parte, superior a 6 meses. Las cuentas por cobrar no provisionadas no son significativas. El periodo medio de cobro es aproximadamente una semana.

	Miles de euros
	2017
Clientes por ventas y prestación de servicios	702
Total importe neto de la cifra de negocios	52.439
Período Medio de cobro	6,5 días

12. Efectivo y otros activos líquidos equivalentes

El epígrafe "Efectivo y otros activos líquidos equivalentes" incluye la tesorería del Grupo y depósitos bancarios a corto plazo con un vencimiento inicial de tres meses o un plazo inferior. El importe en libros de estos activos se aproxima a su valor razonable.

Las cuentas corrientes devengan el tipo de interés de mercado para este tipo de cuentas.

13. Patrimonio neto y fondos propios

13.1 Capital social y prima de emisión

La composición y el movimiento del patrimonio neto se presentan en el estado de cambios en el patrimonio neto consolidado.

Capital social

Al 31 de diciembre de 2015 el capital social de la Sociedad Dominante estaba representado por 102.696.108 participaciones de 1 euro de valor nominal cada una, todas ellas de la misma clase, totalmente suscritas y desembolsadas.

Con fecha 21 de junio de 2016 los Consejos de Administración de Merlin Properties, SOCIMI, S.A. y Testa Inmuebles en Renta, SOCIMI, S.A. (Socio Único de la Sociedad a dicha fecha) aprobaron el proyecto de fusión por absorción que implicó la integración de Testa Inmuebles en Renta, SOCIMI, S.A. en Merlin Properties, SOCIMI, S.A., mediante la transmisión en bloque del patrimonio de la primera en beneficio de la segunda. Con fecha 6 de septiembre de 2016 la Junta General de Accionistas de Testa Inmuebles en Renta, SOCIMI, S.A. aprobó la fusión, habiéndose inscrito en el Registro Mercantil el 14 de octubre de 2016.

Dicha operación dio lugar a que Testa Inmuebles en Renta, SOCIMI, S.A. cuya participación directa en la Sociedad ascendía al 100%, dejase de ser el Socio Único de la misma, pasando a ser Merlin Properties, SOCIMI, S.A.

Con fecha 24 de junio de 2016 el Socio Único aprobó la transformación de la Sociedad Dominante en Sociedad Anónima, la redenominación de las acciones, pasando de 102.696.108 de 1 euro de valor nominal por acción a 10.269.610.800 acciones de 0,01 euros de valor nominal por acción, realizó una ampliación de capital por aportación no dineraria de inmuebles, emitiendo 2.238.551.888 nuevas acciones de 0,01 euros de valor nominal, y finalmente una reducción de capital mediante la amortización de 10.906.847.110 acciones. Como resultado, el capital social de la Sociedad Dominante quedó compuesto por 1.601.315.578 acciones valoradas a 0,01 euros por acción.

Tal y como se menciona en la Nota 3, con fecha 15 de septiembre de 2016, las Juntas Generales de Accionistas de la Sociedad Dominante y de Metrovacesa, S.A. aprobaron una ampliación de capital social mediante la emisión de 3.075.278.154 acciones de 0,01 euros de valor nominal cada una de ellas, con una prima de emisión de 13,3656923984379 céntimos por acción emitida. Esta ampliación fue suscrita íntegramente por los accionistas de Metrovacesa, S.A. mediante la aportación de su negocio de activos residenciales en alquiler. Como resultado de esta transacción, los accionistas de Metrovacesa, S.A. adquirieron el 65,67 % del capital social de la Sociedad Dominante.

Tras las operaciones descritas anteriormente, al 31 de diciembre de 2016 el capital social de Testa Residencial, SOCIMI, S.A. ascendía a 46.765.937 euros y estaba representado por 4.676.593.732 acciones ordinarias, de 0,01 euros de valor nominal cada una de ellas, todas de la misma clase, totalmente suscritas y desembolsadas, otorgando a sus titulares los mismos derechos.

Por otra parte, tal y como se menciona en la Nota 3, el 30 de enero de 2017, la Junta General extraordinaria de Accionistas de Testa Residencial, SOCIMI, S.A. aprobó una ampliación de capital no dineraria mediante la aportación de activos inmobiliarios residenciales procedentes principalmente de las entidades financieras accionistas del Grupo, Banco Santander, S.A. Banco Bilbao Vizcaya Argentaria, S.A., Banco Popular, S.A. y otros nuevos accionistas minoritarios. Como contraprestación por los activos inmobiliarios recibidos, la Sociedad Dominante llevó a cabo una ampliación de capital social por importe total de 659.723 miles de euros, mediante la emisión de 5.221.817.098 nuevas acciones de 0,01 euros de valor nominal cada una de ellas (52.218 miles de euros), con una prima de emisión de 0,11633977722 euros por acción emitida (607.505 miles de euros).

Por otro lado, también con fecha 23 de mayo de 2017, la Junta General extraordinaria de Accionistas de Testa Residencial, SOCIMI, S.A. aprobó una ampliación de capital dineraria del accionista Banco Santander de 30 miles de euros mediante la emisión de 237.407 nuevas acciones de la Sociedad Dominante de 0,01 euros de valor nominal cada una de ellas (2 miles de euros), con una prima de emisión de 0,11636527145 euros por acción emitida (28 miles de euros).

Posteriormente, tal y como se menciona en la Nota 3, el 20 de septiembre de 2017, la Junta General Extraordinaria de Accionistas de la Sociedad Dominante aprobó una ampliación de capital no dineraria mediante la aportación por parte Acciona Real Estate, S.L.U. de su actividad de arrendamiento residencial consistente en sus participaciones de Compañía Urbanizadora del Coto, S.L., el 100% de las participaciones de Valgrand 6, S.A.U y unas viviendas localizadas en Lérida. Como contraprestación por los activos inmobiliarios recibidos, la Sociedad Dominante llevó a cabo una ampliación de capital social por importe de 335.824 miles de euros, mediante la emisión de 2.645.404.051 nuevas acciones de 0,01 euros de valor nominal cada una de ellas (26.454 miles de euros) con una prima de emisión de 0,116946213484044 euros por acción emitida (309.370 miles de euros).

Al mismo tiempo, también con fecha 20 de septiembre de 2017, la Junta General extraordinaria de Accionistas de Testa Residencial, SOCIMI, S.A. aprobó una ampliación de capital no dineraria mediante la aportación de activos inmobiliarios residenciales procedentes de Real Estate Deal II, S.A. en Liquidación. Como contraprestación por los activos inmobiliarios recibidos, la Sociedad Dominante llevó a cabo una ampliación de capital social por importe de 5.367 miles de euros mediante la emisión de 42.274.627 nuevas acciones de la Sociedad Dominante de 0,01 euros de valor nominal cada una de ellas (423 miles de euros), con una prima de emisión de 0,116946213484044 euros por acción emitida (4.944 miles de euros).

Los accionistas titulares de participaciones significativas en el capital social de la Sociedad Dominante tanto directas como indirectas, al 31 de diciembre de 2017 y 2016, son los siguientes:

Ejercicio 2017

	Acciones			% del Capital
	Directas	Indirectas	Total	
Banco Santander, S.A.	1.733.179.100	3.143.288.876	4.876.467.976	38,74%
Merlin Properties, SOCIMI S.A	1.601.315.578	-	1.601.315.578	12,72%
Banco Bilbao Vizcaya Argentaria, S.A.	488.962.085	2.850.130.717	3.339.092.80	26,53%
Acciona Real Estate S.L.	2.645.404.051	-	2.645.404.051	21,02%
Otros	124.046.508	-	124.046.508	0,99%

Ejercicio 2016

	Acciones			% del Capital
	Directas	Indirectas	Total	
Banco Santander, S.A.	1.614.458.396	546.399.222	2.160.857.618	46,21%
Merlin Properties, SOCIMI S.A	1.601.315.578	-	1.601.315.578	34,24%
Banco Bilbao Vizcaya Argentaria, S.A.	488.962.085	142.114.953	631.077.038	13,49%
Banco Popular S.A.	281.078.284	-	281.078.284	6,01%
Otros	2.265.214	-	2.265.214	0,05%

Prima de emisión

El texto Refundido de la Ley de Sociedades de Capital, permite expresamente la utilización del saldo de la prima de emisión para ampliar capital y no establece restricción específica alguna en cuanto a la disponibilidad de dicho saldo.

Esta reserva es de libre disposición siempre y cuando como consecuencia de su distribución no se sitúen los fondos propios de la Sociedad Dominante por debajo de la cifra del capital social.

13.2 Reservas

El detalle de las reservas al 31 de diciembre de 2017 y 2016 es el siguiente:

	Miles de euros	
	2017	2016
Reserva legal	3.203	3.203
Otras Reservas	(162.073)	189.092
Reservas en sociedades consolidadas	25.824	-
Total Reservas	(133.046)	192.295

Reserva legal

La reserva legal se dotará de conformidad con el artículo 274 del Texto Refundido de la Ley de Sociedades de Capital, que establece que, en todo caso, una cifra igual al 10 por 100 del beneficio del ejercicio se destinará a ésta hasta que alcance, al menos, el 20 por 100 del capital social.

No puede ser distribuida y si es usada para compensar pérdidas, en el caso de que no existan otras reservas disponibles suficientes para tal fin, debe ser repuesta con beneficios futuros.

Al 31 de diciembre de 2017 y 2016, el Grupo no tiene dotada esta reserva con el límite mínimo que establece el Texto Refundido de la Ley de Sociedades de Capital.

De acuerdo con la Ley 11/2009, por la que se regulan las sociedades anónimas cotizadas de inversión en el mercado inmobiliario (SOCIMI), 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.

Tal y como se menciona en las Notas 3 y 15, conforme a los términos del contrato de accionistas, Acciona Real Estate, S.L. tiene derecho a amortizar las acciones suscritas en la aportación descrita anteriormente en esta Nota en el caso de que el Grupo no hubiera incorporado sus títulos a un mercado bursátil con anterioridad al 21 de septiembre de 2022. En caso de tener lugar dicha situación, la Sociedad Dominante debería entregar a cambio de las acciones amortizadas un importe equivalente al porcentaje que dichas acciones representasen sobre el EPRA NAV del Grupo a la fecha de dicha amortización. El pago podría realizarse, a opción de la Sociedad Dominante, en efectivo o mediante la devolución de los activos netos recibidos en la ampliación de capital suscrita por Acciona Real Estate, S.L. en el presente ejercicio, y si este fuera el caso la diferencia con respecto al EPRA NAV del Grupo a la fecha de amortización se liquidaría en más o en menos, en efectivo. Conforme a la NIC 32, el Grupo ha reconocido el compromiso que mantiene con Acciona Real Estate, S.L., registrando un pasivo financiero equivalente al valor actual del importe a reembolsar, el cual ascendía a la fecha de la formalización del contrato de accionistas a 349.761 a miles de euros con cargo al epígrafe "Reservas" del estado de situación financiera consolidado del ejercicio 2017 adjunto.

En este sentido, los Administradores de la Sociedad Dominante estiman que es altamente probable que el Grupo incorpore sus acciones al mercado bursátil antes del 21 de septiembre de 2022, y por tanto, la opción de amortización de sus acciones por parte de Acciona Real Estate S.L. expirara, y en consecuencia el pasivo se transformara inmediatamente en patrimonio neto.

Reservas en sociedades consolidadas

El desglose de las reservas en sociedades consolidadas al 31 de diciembre de 2017 y 2016 es el siguiente:

	Miles de euros	
	2017	2016
Testa Alquileres Urbanos, S.L.U. (*)	(66)	-
Testa Residencial, SOCIMI, S.A.	25.890	-
	25.824	-

(*) En el ejercicio 2016 denominada Metrovacesa Alquileres Urbanos S.L.U.

13.3 Socios Externos

El movimiento del capítulo "Socios Externos" en el ejercicio 2017 y 2016, así como el de los resultados atribuidos a los socios externos, ha sido el siguiente:

	Miles de euros	
	2017	2016
Saldo inicial	-	-
Socios externos originados en combinación de negocios (Nota 3)	732	-
Resultado atribuible a los socios minoritarios	40	-
Saldo final	772	-

Al 31 de diciembre de 2017, la totalidad del saldo del epígrafe "Intereses minoritarios" del estado de situación financiera consolidado adjunto corresponde a los accionistas minoritarios (0,345%) de Compañía Urbanizadora del Coto, S.L.

13.4 Gestión del capital

Los objetivos del Grupo en la gestión del capital son salvaguardar la capacidad de continuar como una empresa en funcionamiento, de modo que pueda seguir dando rendimientos a los accionistas y beneficiar a otros grupos de interés y mantener una estructura óptima de capital para reducir el coste de capital.

Consistentemente con otros grupos en el sector, el Grupo controla la estructura de capital en base a la ratio de apalancamiento. Esta ratio se calcula como el endeudamiento neto dividido entre el capital total. El endeudamiento neto se determina por la suma de las deudas financieras, menos efectivo y otros medios líquidos equivalentes. El total del capital se calcula por la suma del patrimonio neto más el endeudamiento neto.

	Miles de euros	
	2017	2016
Total endeudamiento financiero bancario	473.204	361.486
Menos- Efectivo y otros medios equivalentes y Otros activos financieros corrientes	(71.158)	(28.801)
Deuda neta	402.046	332.685
Patrimonio neto	1.394.524	674.385
Total capital	1.796.450	1.007.070
Ratio de endeudamiento	22,38%	33,03%

13.5 Beneficio por acción básico

Las ganancias por acción básicas se calculan dividiendo el beneficio del ejercicio atribuible a los accionistas ordinarios de la Sociedad Dominante entre el número medio ponderado de acciones ordinarias en circulación durante el periodo, excluidas las acciones propias.

El detalle del cálculo de las ganancias por acción básicas es como sigue:

	2017	2016
Beneficio del ejercicio atribuible a los tenedores de instrumentos de patrimonio neto de la Sociedad Dominante (miles de euros)	70.146	24.781
Nº medio ponderado de acciones en circulación (en miles)	9.265.054	4.676.594
Ganancias por acción básicas (euros)	0,0076	0,0053

El número medio de acciones ordinarias en circulación se calcula como sigue:

	Número de acciones	
	2017	2016
Acciones ordinarias al inicio del período	4.676.593.732	-
Ampliaciones de capital	7.909.733.011	4.676.593.732
Efecto promedio de las acciones en circulación	(3.321.272.506)	-
Número medio ponderado de las acciones ordinarias en circulación	9.265.054.237	4.676.593.732

Diluido

Las ganancias por acción diluidas se calculan ajustando el beneficio del ejercicio atribuible a los tenedores de instrumentos de patrimonio neto de la Sociedad Dominante y el número medio ponderado de acciones ordinarias en circulación por todos los efectos dilutivos inherentes a las acciones ordinarias potenciales, es decir, como si se hubiera llevado a cabo la conversión de todas las acciones ordinarias potencialmente dilutivas.



14. Pasivos financieros corrientes y no corrientes

Deudas con entidades financieras

Al 31 de diciembre de 2017 y 2016 el detalle de pasivos corrientes y no corrientes es el siguiente:

	Miles de euros	
	2017	2016
No corriente:		
<i>Valorados a coste amortizado</i>		
Préstamo sindicado	350.000	250.000
Gastos de formalización del préstamo sindicado	(1.819)	(287)
Total préstamo sindicado	348.181	249.713
Préstamos hipotecarios	123.224	98.462
Gastos de formalización	(860)	(264)
Total otros préstamos	122.364	98.198
<i>Valorados a valor razonable</i>		
Instrumentos financieros derivados	120	940
Total a valor razonable	120	940
Total no corriente	470.665	348.851
Corriente:		
<i>Valorados a coste amortizado</i>		
Préstamos hipotecarios	2.238	11.998
Intereses de deudas	301	635
Total coste amortizado	2.539	12.633
Total corriente	2.539	12.633

Para los pasivos financieros valorados a coste amortizado, no existe diferencia significativa entre su valor contable y su valor razonable.

Préstamos

El detalle de préstamos al 31 de diciembre de 2017 y 2016 es el siguiente:

31 de diciembre de 2017

	Miles de euros				
	Deudas con entidades de crédito				
	Límite	Gastos formalización de deudas	31.12.2017		Intereses a corto plazo
			Largo plazo	Corto plazo	
Préstamo sindicado	800.000	(1.819)	350.000	-	191
Préstamos hipotecarios	125.462	(860)	123.224	2.238	110
Total	925.462	(2.679)	473.224	2.238	301

31 de diciembre de 2016

	Miles de euros				
	Deudas con entidades de crédito				
	Límite	Gastos formalización de deudas	31.12.2016		Intereses a corto plazo
			Largo plazo	Corto plazo	
Préstamo sindicado	250.000	-	250.000	-	592
Préstamos hipotecarios	110.460	(551)	98.462	11.998	43
Total	360.460	(551)	348.462	11.998	635

Préstamo sindicado

Préstamo sindicado Sociedad Dominante

Con fecha 20 de diciembre de 2017 la Sociedad Dominante suscribió un préstamo sindicado sin garantía hipotecaria por importe de 800 millones de euros. Esta financiación fue destinada a la cancelación del anterior préstamo sindicado de la Sociedad Dominante por importe de 250 millones de euros, cuyo vencimiento estaba estipulado en mayo de 2018, y a la cancelación del préstamo sindicado hipotecario contraído por la sociedad dependiente Compañía Urbanizadora del Coto S.L. por importe de 77 millones de euros, cuyo vencimiento estaba estipulado en septiembre de 2022. Las condiciones principales de este préstamo sindicado sin garantía hipotecaria son las siguientes:

El préstamo se divide en tres tramos:

- El primer tramo consiste en una financiación bancaria con garantía corporativa de 350 millones de euros con vencimiento en diciembre de 2022 y un tipo de interés de Euribor + 120 puntos básicos. La totalidad del primer tramo se amortiza a vencimiento y fue destinada en su totalidad a cancelar los préstamos sindicados de la Sociedad Dominante y de Compañía Urbanizadora del Coto S.L. Al 31 de diciembre de 2017, la totalidad del primer tramo se encuentra dispuesto.
- El segundo tramo consiste en un préstamo puente por importe de 350 millones de euros con vencimiento previsto en diciembre de 2019 y un coste inicial de Euribor + 50 puntos básicos. Al 31 de diciembre de 2017 la Sociedad Dominante no ha dispuesto de este tramo.

- c) El tercer tramo consiste en una línea de crédito revolving por importe de 100 millones de euros. El vencimiento de la línea de crédito es en diciembre 2022 y devenga un tipo de interés de Euribor +120 puntos básicos ligado al rating de la compañía. Esta financiación se destinará a usos generales corporativos. Al 31 de diciembre de 2017 la Sociedad Dominante no ha dispuesto de esta línea de crédito.

Esta financiación bancaria con garantía corporativa tiene unos compromisos de obligaciones de información respecto a las cuentas anuales individuales y consolidadas, así como a los presupuestos. Por otro lado, trimestralmente, el Grupo deberá cumplir con determinados compromisos de ratios de cobertura como la proporción existente entre valor de los activos sobre la deuda pendiente ("Loan to Value"), la proporción existente entre los ingresos del Grupo y los intereses de la deuda ("ICR"). Al 31 de diciembre de 2017 el Grupo cumple con las ratios financieros establecidos en dicho contrato y los Administradores estiman que también se cumplirán al cierre del ejercicio 2018 y en los próximos ejercicios.

Préstamos hipotecarios

Al 31 de diciembre de 2017 el Grupo tenía contratados los siguientes préstamos hipotecarios:

Entidad financiera	Miles de euros				Garantía Hipotecaria
	Préstamo Original	Largo Plazo	Corto Plazo	Intereses	
Banco Santander S.A.	22.016	20.016	1.000	28	Inmuebles de Osuna, Campo de Tiro y Benquerencia-Toledo
ING Direct, NV.	63.200	63.200	-	7	Inmuebles de Pavones, Valdebernardo, Alcorcón, Plaza De Castilla
Caixabank	17.000	16.660	340	74	Inmuebles de Mercedes Formica, Ronda de Segovia y José M. Perdis
Bilbao Bizkaia Kutxa	24.695	23.348	898	1	Inmuebles Bentaberri
Total	126.911	123.224	2.238	110	

El préstamo hipotecario de ING tiene unos compromisos de obligaciones de información respecto a las cuentas anuales individuales y consolidadas, tales como la proporción existente entre valor de los activos sobre la deuda pendiente ("Loan to Value"). Al 31 de diciembre de 2017 el Grupo cumple con las ratios financieras establecidas en dicho contrato y los Administradores estiman que también se cumplirán al cierre del ejercicio 2018 y en los próximos ejercicios.

Los intereses devengados y no pagados correspondientes a los préstamos hipotecarios al 31 de diciembre de 2017 ascienden a 110 miles de euros, siendo el tipo de interés medio final de estos préstamos hipotecarios en el ejercicio 2017 de 1,42 %.

Vencimientos de la deuda

El detalle por vencimientos de la deuda del Grupo al 31 de diciembre de 2017 es el siguiente:

	Miles de euros		
	Préstamo Hipotecario	Préstamo Sindicado	Total
2018	2.238	-	2.238
2019	2.238	-	2.238
2020	2.238	-	2.238
2021	2.238	-	2.238
2022	80.738	350.000	430.738
Más de 5 años	35.772	-	35.772
	125.462	350.000	475.462

Los saldos de las deudas con entidades de crédito reflejan solo la parte dispuesta.

El Grupo no tiene endeudamiento al 31 de diciembre de 2017 y 2016 consignado en moneda distinta al euro.

El gasto financiero del ejercicio 2017 por los intereses correspondiente a los préstamos sindicados, a los préstamos hipotecarios y a los instrumentos financieros ha ascendido a 6.090 miles de euros, y se encuentra incluido en la cuenta de resultados consolidada del ejercicio 2017 adjunta.

Al 31 de diciembre de 2017 los gastos de formalización de deuda se presentan minorando el saldo de "Deudas con entidades de crédito". Durante el ejercicio 2017, el Grupo ha imputado 4.371 miles de euros, respectivamente en el epígrafe "Gastos financieros" de la cuenta de resultados consolidada del ejercicio 2017 adjunta asociados a la deuda.

De la cantidad total de gasto financiero, 3.821 miles de euros corresponden a los gastos por cancelación de los préstamos anteriormente mencionados.

Durante el ejercicio 2017 no se han incumplido las condiciones contractuales de pago de los préstamos pendientes ni ninguna otra condición contractual.

Derivados

Los derivados sobre tipos de interés contratados por la Sociedad y vigentes al 31 de diciembre de 2017 y sus valores razonables a dicha fecha son los siguientes (en miles de euros):

Ejercicio 2017

Titular	Miles de euros					
	Vencimiento	Tipo interés	Nocional	Valor razonable sin riesgo de crédito	Pasivo	Cuenta de resultados Gastos/(Ingreso)
ING	30/09/2020	0,30%	37.240	418	414	(18)
HSBC France	14/12/2022	0,14%	56.000	(42)	(52)	(42)
MedioBanca	14/12/2022	0,14%	112.000	(108)	(128)	(107)
Golman Sachs	14/12/2022	0,14%	56.000	(45)	(55)	(45)
Citibank Europe	14/12/2022	0,14%	56.000	(49)	(59)	(50)
			317.240	174	120	(262)

Para la determinación del valor razonable de los derivados de tipo de interés, el Grupo utiliza el descuento de los flujos de caja en base a los implícitos determinados por la curva de tipo de interés del euro según las condiciones de mercado en la fecha de valoración.

Estos instrumentos financieros se han clasificados como de nivel 2 según la jerarquía de cálculo establecida en la NIIF 7.

Al 31 de diciembre de 2017, el Grupo tenía contratados derivados de tipo de interés por valor razonable de 418 miles de euros, sobre los cuales el Grupo ha optado por la contabilidad de coberturas de flujos de efectivo que permite la NIC 39 "Instrumentos financieros: Reconocimiento y valoración", designando adecuadamente las relaciones de cobertura en las que estos derivados son instrumentos de cobertura de la financiación utilizada por el Grupo, neutralizando las variaciones de flujos por pagos de intereses fijando el tipo variable a pagar por la misma. Dichas relaciones de cobertura son altamente eficaces de manera prospectiva y retrospectiva, de forma acumulada, desde la fecha de designación. Mientras que el resto de los derivados no han sido designados como coberturas contables.

A 31 de diciembre de 2017, el Grupo tiene registrado en el patrimonio neto un importe total de 336 miles de euros (489 miles de euros en 2016) correspondientes a la variación del valor razonable de los derivados que cumplen estos requisitos y en el epígrafe "Variación de valor razonable en instrumentos financieros" de la cuenta de resultados consolidada 262 miles de euros como consecuencia de los instrumentos financieros derivados que no han cumplido los requisitos de cobertura. Adicionalmente, en el ejercicio 2017 se han devengado gastos financieros y se ha realizado liquidaciones por un importe de 219 miles de euros.

Como consecuencia de la solicitud, por parte de la Sociedad Dominante, con fecha 22 de septiembre de 2016, del acogimiento al Régimen fiscal especial propio de las sociedades anónimas cotizadas de inversión en el mercado inmobiliario (el Régimen de SOCIMIs) previsto en la Ley 11/2009, de 26 de octubre, de Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (Ley de SOCIMIs), cuyos efectos son aplicables desde el 1 de enero de 2016, la Sociedad ha procedido a registrar en Patrimonio Neto los valores razonables de los derivados sin efecto fiscal.

EL Grupo ha realizado un ajuste en las técnicas de valoración para la obtención del valor razonable de sus derivados. La Sociedad incorpora un ajuste de riesgo de crédito bilateral con el objetivo de reflejar tanto el riesgo propio como de la contraparte en el valor razonable de los derivados. La metodología aplicada por la Sociedad ha sido la del descuento de flujos considerando una tasa de descuento afectada por el riesgo propio estos instrumentos financieros.

Para el cálculo del valor razonable de los derivados financieros el Grupo ha aplicado metodologías de valoración

de amplia aceptación en el mercado, que recogen la exposición actual y futura esperada, ajustada por la probabilidad de impago y por la pérdida potencial o severidad en caso de incumplimiento del contrato. De esta forma se ha estimado el DVA (Debt Value Adjustment) o el CVA (Credit Value Adjustment).

La exposición actual y esperada en el futuro se estima en base a la simulación de escenarios de movimientos en las variables del mercado, como son las curvas de tipos de Interés, tipo de cambio y volatilidades en función de las condiciones del mercado en la fecha de valoración.

Adicionalmente, para el ajuste del riesgo de crédito se ha tenido en cuenta la exposición neta del Grupo a cada una de las contrapartidas, en caso de que los derivados financieros con ésta contratados se encuentren incluidos dentro de un contrato marco de operaciones financieras que contemple el neteo de posiciones. En el caso de las contrapartes con información de crédito disponible, los spreads de crédito se han obtenido a partir de los CDS (Credit Default Swaps) cotizados en mercado, mientras que para aquellas sin información disponible se han utilizado las referencias de entidades comparables. Para las valoraciones de los derivados a valor razonable el Grupo tiene contratado los servicios de Chatham Financial Europe Ltd.

Al 31 de diciembre de 2017 el efecto en el pasivo y en la cuenta de resultados antes de impuestos de la variación de 50 puntos básicos en la tasa de riesgo de crédito estimada sería el siguiente:

Escenario	Miles de Euros		
	Pasivo	Patrimonio Neto	Resultado antes de impuestos
Aumento tasa de riesgo de crédito en 0,5%	(7.214)	-	7.214
Disminución tasa de riesgo de crédito en 0,5%	7.433	-	(7.433)

A continuación, se incluye una conciliación del valor en libros de los pasivos originados por la actividad de financiación en el ejercicio 2017 distinguiendo separadamente los cambios que generan flujos de efectivo de aquellos que no lo hacen:

	Miles de euros						
	01.01.2017	Entrada por la Combinación de negocios	Flujos de Caja	Variación del valor razonable – Cuenta de resultado	Variación del valor razonable – Patrimonio Neto	Imputación gastos de formalización	31.12.2017
Préstamo sindicado	249.713	-	100.000	-	-	(1.341)	348.372
Préstamos hipotecarios	110.831	75.947	(62.102)	-	-	36	124.712
Derivados	940	-	(405)	(262)	153	(306)	120
Total pasivos de actividades de financiación	361.484	75.947	37.493	(262)	153	(1.611)	473.204

15. Otros pasivos corrientes y no corrientes

El detalle de estos epígrafes al 31 de diciembre de 2017 y 2016 es el siguiente:

	Miles de euros	
	2017	2016
<i>No corriente</i>		
Otros pasivos financieros	355.565	2
Provisiones	320	1.410
Fianzas y depósitos recibidos	15.002	7.248
<i>Corriente</i>		
Provisiones	1.019	1
Total	371.906	8.659

Otros pasivos financieros – No corriente

Tal y como se menciona en las Notas 3 y 13, la Sociedad Dominante está obligada, a decisión de Acciona Real Estate, S.L., a llevar a cabo una reducción de capital en el caso de que los títulos de la Sociedad Dominante no se incorporen al mercado bursátil antes del 21 de septiembre de 2022. La amortización de acciones irá dirigida únicamente a las que ha suscrito Acciona Real Estate, S.L. en 2017 y el importe de la reducción de capital se determinará en función del EPRA NAV a dicha fecha del Grupo. La liquidación se realizaría, a opción de la Sociedad Dominante, mediante efectivo o la entrega de los activos recibidos en la aportación realizada en el ejercicio 2017, y si este fuera el caso la diferencia con respecto al EPRA NAV del Grupo a la fecha de amortización se liquidaría en más o en menos, en efectivo.

De acuerdo con la normativa contable vigente, el Grupo ha reconocido un pasivo a largo plazo derivado del compromiso mencionado en el párrafo anterior. Conforme a NIC 32 dicho pasivo se reconoció inicialmente al valor presente de la estimación del valor neto de los activos del Grupo y se ha actualizado al 31 de diciembre de 2017 en función de la variación experimentada por su valor razonable.

El gasto por variación del valor razonable durante el ejercicio 2017 ha ascendido a 5.804, miles de euros, el cual se encuentra registrado en el epígrafe de "Variación de valor razonable en instrumentos financieros" de las cuentas de resultados consolidada del ejercicio 2017 adjunto.

Para el cálculo del valor razonable el Grupo ha estimado el EPRA NAV actual, partiendo del patrimonio neto del Grupo, ajustado por las plusvalías implícitas de los proyectos y acuerdos concesionales valorados a mercado. Las hipótesis utilizadas para la determinación del valor razonable de las inversiones inmobiliarias del Grupo se desglosan en la Nota 7.

En este sentido, los Administradores de la Sociedad Dominante estiman que es altamente probable que el Grupo incorpore sus acciones al mercado bursátil antes del 21 de septiembre de 2022, y por tanto, la opción de amortización de sus acciones por parte de Acciona Real Estate S.L. expirará, y en consecuencia el pasivo se transformará inmediatamente en patrimonio neto.

En el epígrafe "Fianzas y depósitos recibidos" se recogen, fundamentalmente, los importes entregados por los arrendatarios en concepto de garantía y que serán devueltos a la finalización de los contratos.

16. Acreedores comerciales y otras cuentas a pagar

El detalle de acreedores comerciales y otras cuentas a pagar al 31 de diciembre del ejercicio 2017 y 2016 es como sigue:

	Miles de euros	
	2017	2016
Acreedores comerciales y otras cuentas a pagar:		
Proveedores	811	1.576
Proveedores, empresas vinculadas (Nota 20.2)	2.357	2.745
Acreedores varios	567	627
Personal (remuneraciones pendientes de pago)	591	1.008
Pasivos por impuesto corriente (Nota 17)	523	107
Otras deudas con las Administraciones Públicas (Nota 17)	243	317
Total	5.092	6.380

Los Administradores de la Sociedad Dominante consideran que el importe en libros de los acreedores comerciales se aproxima a su valor razonable.

Información sobre el periodo medio de pago a proveedores. Disposición final segunda de la Ley 31/2014, de 3 de diciembre

A continuación, se detalla la información requerida por la Disposición adicional tercera de la Ley 15/2010, de 5 de julio (modificada a través de la Disposición final segunda de la Ley 31/2014, de 3 de diciembre) preparada conforme a la Resolución del ICAC de 29 de enero de 2016, sobre la información a incorporar en la memoria de las cuentas anuales consolidadas en relación con el periodo medio de pago a proveedores en operaciones comerciales.

	2017	2016
	Días	
Periodo medio de pago a proveedores	15	17
Ratio de operaciones pagadas	17	16
Ratio de operaciones pendientes de pago	1	22
	Miles de euros	
Total pagos realizados	17.929	1.449
Total pagos pendientes	2.542	4.773

Los datos expuestos en el cuadro anterior sobre pagos a proveedores hacen referencia a aquellos que por su naturaleza son acreedores comerciales por deudas con suministradores de bienes y servicios, de modo que incluyen los datos relativos a las partidas "Acreedores comerciales y otras cuentas a pagar" del pasivo corriente del estado de situación financiera consolidado adjunto.

Se entenderá por "Periodo medio de pago a proveedores" la expresión del tiempo de pago o retraso en el pago de la deuda comercial. Dicho "Periodo medio de pago a proveedores" se calcula como el cociente formado en el numerador por el sumatorio de la ratio de operaciones pagadas por el importe total de los pagos realizados más la ratio de operaciones pendientes de pago por el importe total de pagos pendientes y, en el denominador, por el importe total de pagos realizados y los pagos pendientes.

La ratio de operaciones pagadas se calcula como el cociente formado en el numerador por el sumatorio de los productos correspondientes a los importes pagados, por el número de días de pago (diferencia entre los días naturales transcurridos desde el final del plazo máximo legal de pago hasta el pago material de operación) y, en el denominador, el importe total de pagos realizados.

Asimismo, la ratio de operaciones pendientes de pago corresponde al cociente formulado en el numerador por el

sumatorio de los productos correspondientes a los importes pendientes de pago, por el número de días pendiente de pago (diferencia entre los días naturales transcurridos desde el final del plazo máximo legal de pago hasta el día de cierre de las cuentas anuales) y, en el denominador, el importe total de pagos pendientes.

El plazo máximo legal de pago aplicable a la Sociedad en el ejercicio 2016 según la Ley 3/2004, de 29 de diciembre, por la que se establecen medidas de lucha contra la morosidad en las operaciones comerciales y conforme a las disposiciones transitorias establecidas en la Ley 15/2010, de 5 de julio, es de 60 días hasta la publicación de la Ley 11/2013 de 26 de julio y de 30 días a partir de la publicación de la mencionada Ley y hasta la actualidad (a menos que se cumplan las condiciones establecidas en la misma, que permitirían elevar dicho plazo máximo de pago hasta los 60 días).

17. Administraciones Públicas y situación fiscal

La composición del epígrafe de saldos relacionados con la Hacienda Pública al 31 de diciembre de 2017 y 2016 es la siguiente:

	Miles de euros	
	2017	2016
Saldos deudores:		
No corriente-		
Activos por impuesto diferido	11.083	296
	11.083	296
Saldos acreedores:		
No corriente-		
Pasivos por impuesto diferido	105.953	60.649
Corriente-		
Hacienda Pública acreedora por IVA	111	187
Hacienda Pública acreedora por IRPF	61	67
Organismos de la Seguridad Social, acreedores	54	63
Pasivos por impuesto corriente	523	107
Hacienda Pública acreedora por otros conceptos	17	-
	106.719	61.073

17.1 Conciliación resultado contable y base imponible fiscal

Al 31 de diciembre de 2017 y 2016 la base imponible fiscal ha sido calculada partiendo del resultado contable del ejercicio más el efecto de la variación del valor razonable de las inversiones inmobiliarias, así como las diferencias temporales por las limitaciones existentes.

La conciliación entre el resultado contable, la base imponible de Impuesto sobre Sociedades y la cuenta por cobrar o pagar existente por este concepto al 31 de diciembre de 2017 y 2016 es la siguiente (en miles de euros):

	Miles de euros	
	2017	2016
Resultado contable antes de impuestos	70.482	25.022
Diferencias permanentes:		
- Gastos de ampliación de capital	(2.115)	-
- Variación del valor de las inversiones inmobiliarias	(65.209)	(23.953)
- Otros	(268)	-
Diferencias temporales		
- Impuesto diferido reversión de beneficios extraordinarios art. 21 Ley 43/1995	680	-
Base Imponible régimen tipo general	2.104	952
Base Imponible contable SOCIMI	1.466	117
Cuota régimen SOCIMI (0%)	-	-
Cuota régimen general (25%)	526	241
Total Cuota	526	241
Retenciones y pagos a cuenta	(3)	(134)
Hacienda Pública acreedora Impuesto sobre Sociedades	523	107

Los gastos de ampliación de capital se consideran diferencia permanente porque la tasa fiscal aplicable es el 0%.

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17.2 Conciliación del resultado del gasto por impuesto

	Miles de euros	
	2017	2016
Pérdida/ Ingreso contable antes de impuestos	70.482	25.022
Diferencias permanentes:		
- Gastos de ampliación de capital	(2.115)	-
- Variación del valor de las inversiones inmobiliarias	(65.209)	(23.953)
- Otros	(268)	-
Resultado contable régimen SOCIMI	786	117
Resultado contable régimen general	2.104	952
Cuota Líquida en régimen SOCIMI (0%)	-	-
Cuota Líquida en régimen general (25%)	526	(238)
Ajuste por venta de activos (reversión pasivo por ID)	(81)	(3)
Otros ajustes	(149)	-
Ingreso / (Gasto) por impuesto sobre sociedades	(296)	(241)
Impuesto Corriente	(552)	238
Impuesto Diferido	256	3

17.3 Activos por impuesto diferidos registrados

El movimiento habido en este epígrafe del estado de situación financiera consolidado durante el ejercicio 2017, así como la información más significativa que afecta a los mismos ha sido el siguiente:

	Miles de euros				
	31.12.2016	Combinación de Negocios (Nota 3)	Altas	Bajas	31.12.17
Activos por impuesto diferido:					
Bases impositivas negativas	-	10.706	-	-	10.706
Otros	296	-	82	(1)	377
	296	10.706	3.783	(1)	11.083

El movimiento en el ejercicio 2017 de los activos por impuesto diferidos corresponden a la incorporación de créditos fiscales procedentes "Compañía Urbanizadora del Coto, S.L. (véase Nota 3).

Los activos por impuesto diferido indicados anteriormente han sido registrados en el estado de situación financiera consolidado al 31 de diciembre de 2017 por considerar los Administradores del Grupo que, conforme a la mejor estimación sobre los resultados futuros del Grupo, incluyendo determinadas actuaciones de planificación fiscal, es probable que dichos activos sean recuperados.

17.4 Pasivos por impuesto diferido

Los pasivos por impuesto diferido surgen registrados al 31 de diciembre de 2017 y 2016, principalmente, de las combinaciones de negocio descritas en la Nota 3, y son originadas por las diferencias existentes entre los valores contables y los valores fiscales de los activos recibidos en las citadas transacciones.

El movimiento de los pasivos por impuesto diferido en el ejercicio 2017 y 2016 es el siguiente:

	Miles de Euros
Saldo inicial integración de negocios	60.652
Bajas por venta de activos	(3)
Total pasivo por impuesto diferido 31 de diciembre 2016	60.649
Adición por combinación de negocios (Nota 3)	45.560
Impuesto diferido reversión de beneficios extraordinarios art. 21 Ley 43/1995	(175)
Bajas por venta de activos	(81)
Total pasivo por impuesto diferido 31 de diciembre 2017	105.953

17.5 Ejercicios pendientes de comprobación y actuaciones inspectoras

Según establece la legislación vigente, los impuestos no pueden considerarse definitivamente liquidados hasta que las declaraciones presentadas hayan sido inspeccionadas por las autoridades fiscales o haya transcurrido el plazo de prescripción de cuatro años. Al 31 de diciembre de 2017, la Sociedad Dominante y sus sociedades dependientes tienen abiertos a inspección los ejercicios 2013 a 2016 del Impuesto sobre Sociedades y los ejercicios 2014 a 2017 para los demás impuestos que le son de aplicación. Los Administradores de la Sociedad Dominante consideran que se han practicado adecuadamente las liquidaciones de los mencionados impuestos, por lo que, aún en caso de que surgieran discrepancias en la interpretación normativa vigente por el tratamiento fiscal otorgado a las operaciones, los eventuales pasivos resultantes, en caso de materializarse, no afectarían de manera significativa a los estados financieros consolidados. Adicionalmente, en la Ley 34/2015, de 21 de septiembre, de modificación parcial de la Ley 58/2003, de 17 de diciembre, General Tributaria se establece que el derecho de la Administración para iniciar el procedimiento de comprobación de las bases o cuotas compensadas o pendientes de compensación o de deducciones aplicadas o pendientes de aplicación, prescribirá a los diez años a contar desde el día siguiente a aquel en que finalice el plazo reglamentario establecido para presentar la declaración o autoliquidación correspondiente al ejercicio o periodo impositivo en que se generó el derecho a compensar dichas bases o cuotas o a aplicar dichas deducciones.

18. Exigencias informativas derivadas de la condición de SOCIMI, Ley 11/2009, modificada con la Ley 16/2012

Las exigencias informativas derivadas de la condición SOCIMI de la Sociedad Dominante y de sus sociedades dependientes se incluyen en las correspondientes memorias de las cuentas anuales individuales.

19. Ingresos y gastos

19.1 Ingresos ordinarios

La distribución del importe neto de la cifra de negocios del ejercicio 2017 y 2016 es la siguiente:

	Miles de euros	
	2017	2016
Ingresos por arrendamiento	52.439	9.035
Ingresos por prestación de servicios	504	551
Total importe neto de la cifra de negocios	52.943	9.586

a) Información por área geográfica

La distribución de los ingresos por arrendamiento del ejercicio 2017 y 2016, distribuida por tipología de activo y por mercados geográficos, es la siguiente:

Ejercicio 2017

Comunidades Autónomas	Miles de euros	%
Madrid	31.645	60,3%
País Vasco	3.985	7,6%
Cataluña	2.511	4,8%
C. Valenciana	2.150	4,1%
Baleares	2.129	4,1%
Navarra	1.996	3,8%
Castilla La Mancha	1.866	3,6%
Resto	6.157	11,7%
Total	52.439	100%

Ejercicio 2016

Comunidades Autónomas	Miles de euros	%
Madrid	5.660	62,6%
País Vasco	1.067	11,8%
Cataluña	175	1,9%
C. Valenciana	417	4,6%
Baleares	500	5,5%
Navarra	487	5,4%
Castilla La Mancha	467	5,2%
Resto	261	2,9%
Total	9.035	100%

19.2 Gastos de personal

El detalle de los gastos por retribuciones a los empleados del ejercicio 2017 y 2016, es la siguiente:

	Miles de euros	
	2017	2016
Sueldos, salarios y asimilados	(2.568)	(1.871)
Otras cargas sociales e impuestos	(646)	(129)
Total gastos de personal	(3.214)	(2.000)

19.3 Otros gastos de explotación

El detalle de este epígrafe de la cuenta de resultados ejercicio 2017 y 2016 es el siguiente:

	Miles de euros	
	2017	2016
Gastos no recuperables de los inmuebles en arrendamiento	13.675	2.393
Gastos generales		
Servicios Profesionales	8.440	1.753
Alquiler de Oficinas	216	28
Tributos	1.933	416
Otros	459	78
Pérdidas, deterioro y variación de provisiones	300	65
Total	25.023	4.733

Dentro del epígrafe "Servicios profesionales independientes" se incluye principalmente el gasto anual devengado por el servicio de asesoría, planificación y gestión estratégica prestada por Merlin Properties, SOCIMI, S.A. (véase Nota 20.1).

19.4 Gastos financieros

El desglose del saldo de este capítulo de la cuenta de resultados consolidados del ejercicio 2017 y 2016 es el siguiente:

	Miles de euros	
	2017	2016
Intereses de préstamos y otros	(11.338)	(1.141)
Gastos financieros	(11.338)	(1.141)

Dentro de la cuenta "Intereses de préstamos y otros" se incluye la amortización de los gastos de formalización de deuda por importe de 4.371 miles de euros del ejercicio 2017, por la aplicación del tipo de interés efectivo en la deuda financiera (véase Nota 14), de los cuales 3.821 miles de euros corresponden a los gastos de formalización imputados por la cancelación de los préstamos comentados en la Nota 14.

19.5 Aportación al resultado consolidado

La aportación de cada sociedad del Grupo incluida en el perímetro de consolidación a los resultados del ejercicio 2017 ha sido la siguiente:

Sociedad	Miles de euros	
	2017	2016
Integración global:		
Testa Residencial, SOCIMI, S.A.	61.792	24.827
Testa Alquileres Urbanos, S.L.U. (*)	(186)	(46)
Compañía Urbanizadora del Coto, S.L.	8.054	-
Valgrand 6, S.A.U.	526	-
Total	70.186	24.781

(*) En el ejercicio 2016 denominada Metrovacesa Alquileres Urbanos S.L.U.

20. Operaciones y saldos con partes vinculadas

20.1 Operaciones con vinculadas

El Grupo realiza todas sus operaciones con vinculadas a valores de mercado. Adicionalmente, los precios de transferencia se encuentran adecuadamente soportados, por lo que los Administradores de la Sociedad Dominante consideran que no existen riesgos significativos por este aspecto de los que puedan derivarse pasivos de consideración en el futuro. El detalle de operaciones realizadas con empresas vinculadas durante el ejercicio 2017 y 2016 es el siguiente:

Ejercicio 2017

	Miles de euros			
	Otros gastos de explotación	Gastos financieros	Ingresos por arrendamiento	Ingresos por prestación de servicios
Merlin Properties, SOCIMI, S.A.	9.317	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	1.162	-	120
Banco Santander, S.A.	-	4.937	161	384
TOTAL	9.317	6.099	161	504

Ejercicio 2016

	Miles de euros		
	Otros gastos de explotación	Gastos financieros	Ingresos por prestación de servicios
Merlin Properties, SOCIMI, S.A.	1.813	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	121	169
Banco Santander, S.A.	-	630	549
TOTAL	1.813	751	718

En el ejercicio 2016, la Sociedad Dominante suscribió un contrato de prestación de servicios con Merlin Properties, SOCIMI, S.A. para la prestación de servicios de asesoría, planificación y gestión estratégica de los negocios, activos y pasivos a cambio de una contraprestación económica anual de 7,7 millones de euros más el impuesto sobre el valor añadido (actualizable anualmente al 1,5%), la duración del contrato es de 30 años y en caso de resolución anticipada por parte de la Sociedad Dominante o como consecuencia de determinados situaciones, Merlin Properties, SOCIMI, S.A. tendrá derecho a percibir una contraprestación equivalente al valor actual de la remuneración del contrato de servicios por todos los años vigentes del contrato.

Con fecha 3 de enero de 2018, la Sociedad Dominante ha notificado a Merlin Properties, SOCIMI, S.A. el desistimiento del mencionado contrato de servicios con efectos 19 de enero de 2018 (véase Nota 26).

20.2 Saldos con vinculadas

El importe de los saldos con vinculadas en el balance al 31 de diciembre de 2017 y 2016 es el siguiente:

31 de diciembre de 2017

	Miles de euros				
	Cuenta corriente y otras deudas con empresas del Grupo y asociadas	Proveedores	Deuda con entidades de Crédito	Otros Pasivos (Notas 3 y 15)	Efectivo y otros activos líquidos
Merlin Properties, SOCIMI, S.A.	-	2.357	-	-	-
Acciona Real Estate, S.L. (Nota 3)	5.400	-	-	355.565	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	-	25
Banco Santander, S.A.	-	-	56.016	-	55.405
TOTAL	5.400	2.357	56.016	335.565	55.430

31 de diciembre de 2016

	Miles de euros			
	Cuenta corriente y otras deudas con empresas del Grupo y asociadas	Proveedores	Deuda con entidades de Crédito	Efectivo y otros activos líquidos
Merlin Properties, SOCIMI, S.A.	203	2.745	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	51.371	889
Banco Popular, S.A.	-	-	-	13
Banco Santander, S.A.	-	-	221.268	25.005
TOTAL	203	2.745	272.639	25.907

20.3 Retribuciones al Consejo de Administración y a la Alta Dirección

Las retribuciones percibidas durante el ejercicio 2017 y 2016 por los miembros del Consejo de Administración y la alta dirección de Testa Residencial, SOCIMI, S.A., clasificadas por conceptos, han sido las siguientes (en miles de euros):

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31 de diciembre de 2017

	Sueldos	Dietas	Otros Conceptos	Planes de Pensiones	Primas de Seguros (1)	Indemnizaciones por Cese	Pagos Basados en Instrumentos de Patrimonio	Retribución personas físicas que representan a la Sociedad (2)
Consejo de Administración y Alta Dirección	738	-	-	-	7	-	-	-

31 de diciembre de 2016

	Sueldos	Dietas	Otros Conceptos	Planes de Pensiones	Primas de Seguros (1)	Indemnizaciones por Cese	Pagos Basados en Instrumentos de Patrimonio	Retribución personas físicas que representan a la Sociedad (2)
Consejo de Administración y Alta Dirección	178	-	-	-	2	-	-	-

(1) Incluye el importe satisfecho por la prima de seguro de responsabilidad civil de los Administradores por daños ocasionados por actos u omisiones, por importe de 19 miles euros.

(2) Incluye las remuneraciones satisfechas a las personas físicas que representan a la Sociedad en el órgano de administración de otras entidades.

No existen anticipos ni créditos concedidos a los miembros del Consejo de Administración y a la alta dirección de la Sociedad Dominante al 31 de diciembre de 2017 ni al 31 de diciembre de 2016.

A la fecha de formulación de las presentes cuentas anuales consolidadas los Administradores de la Sociedad Dominante están formados por 9 varones y 1 mujer (al 31 de diciembre de 2016 estaba formado por 10 varones).

20.4 Información en relación con situaciones de conflicto de intereses por parte de los Administradores

En el ejercicio 2017 los miembros del Consejo de Administración de Testa Residencial SOCIMI, S.A. no han comunicado a los demás miembros del Consejo situación alguna de conflicto, directo o indirecto, que ellos o personas vinculadas a ellos, según se define en la Ley de Sociedades de Capital, pudieran tener con el interés de la Sociedad Dominante.

21. Otra información

21.1 Personal

El número medio de empleados del Grupo del ejercicio 2017 y del ejercicio 2016 desglosado por categorías ha sido el siguiente:

	Número de empleados	
	2017	2016
Consejeros ejecutivos	1	1
Alta Dirección	4	4
Resto empleados	75	45
Total	80	50

Asimismo, la distribución por sexos del Grupo al 31 de diciembre de 2017 y 2016 es como sigue:

	31.12.2017		31.12.2016	
	Mujeres	Hombres	Mujeres	Hombres
Consejeros ejecutivos	-	1	-	1
Alta Dirección	1	3	1	3
Resto de empleados	41	34	30	15
Total	42	38	31	19

El Grupo no dispone de personal empleado durante de los ejercicios 2017 y 2016, con discapacidad mayor o igual del 33%.

22. Retribución a los auditores

Los honorarios relativos a servicios de auditoría de cuentas de las distintas sociedades que componen el Grupo Testa Residencial, SOCIMI, S.A. y sociedades dependientes, prestados por el auditor principal Deloitte, S.L. y entidades vinculadas al mismo y por otros auditores, han ascendido a los siguientes importes:

Descripción	Miles de euros	
	2017	2016
Servicios de auditoría	165	75
Otros servicios relacionados con la auditoría:		
Otros servicios de verificación	27	-
Total servicios de Auditoría y Relacionados	192	75
Otros servicios	-	-
Servicios de asesoramiento fiscal	-	-
Total otros servicios	-	-
Total	192	75

23. Información sobre medioambiente

Dada la actividad a la que se dedica el Grupo, el mismo no tiene responsabilidades, gastos, activos, ni provisiones y 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 en la presente Memoria consolidada de las Cuentas Anuales respecto a información de cuestiones medioambientales.

24. Información sobre la gestión del Riesgo Financiero

Factores de riesgo financiero

Las actividades del Grupo están expuestas a diversos riesgos financieros: riesgo de mercado, riesgo de crédito, riesgo de liquidez y riesgo del tipo de interés en los flujos de efectivo. El programa de gestión del riesgo global del Grupo se centra en la incertidumbre de los mercados financieros y trata de minimizar los efectos potenciales adversos sobre la rentabilidad financiera del Grupo.

La gestión del riesgo está controlada por la Alta Dirección del Grupo con arreglo a políticas aprobadas por el Consejo de Administración. La Alta Dirección identifica, evalúa y cubre los riesgos financieros en estrecha colaboración con las unidades operativas del Grupo. El Consejo proporciona políticas escritas para la gestión del riesgo global, así como para materias concretas tales como, riesgo de mercado, riesgo de tipo de interés, riesgo de liquidez e inversión del excedente de liquidez.

Riesgo de mercado

Atendiendo a la situación actual del sector inmobiliario, y con el fin de minimizar el impacto que ésta puede provocar, el Grupo tiene establecidas medidas concretas que tiene previsto adoptar para minimizar dicho impacto en su situación financiera.

La aplicación de estas medidas está subordinada a los resultados de los análisis de sensibilidad que el Grupo realiza de forma recurrente. Estos análisis tienen en cuenta:

- Entorno económico en el que desarrolla su actividad: Diseño de diferentes escenarios económico modificando las variables clave que pueden afectar al Grupo (tipos de interés, precio de las acciones, % de ocupación de las inversiones inmobiliarias, etc.). Identificación de aquellas variables interdependientes y su nivel de vinculación.
- Marco temporal en el que se está haciendo la evaluación: Se tendrá en cuenta el horizonte temporal del análisis y sus posibles desviaciones.

Riesgo de crédito

Se define como el riesgo de pérdida financiera al que se enfrenta el Grupo si un cliente o contraparte no cumple con sus obligaciones contractuales.

Con carácter general el Grupo mantiene su tesorería y activos líquidos equivalentes en entidades financieras de alto nivel crediticio.

El Grupo tiene políticas para limitar el volumen de riesgo con los clientes y la exposición al riesgo en la recuperación de créditos se administra como parte de las actividades normales, a través, entre otros aspectos por la obtención de fianzas y avales.

El Grupo cuenta con procedimientos formales para la detección del deterioro de créditos comerciales. Mediante estos procedimientos y el análisis individual por áreas de negocio, se identifican retrasos en los pagos y se establecen los métodos a seguir para estimar la pérdida por deterioro.

A continuación se detallan los vencimientos estimados de los activos financieros del Grupo reflejados en el estado de situación financiera consolidado al 31 de diciembre de 2017 y 2016. Las tablas adjuntas reflejan el análisis de dichos vencimientos de los activos financieros al 31 de diciembre de 2017 y 2016:

Ejercicio 2017

	Miles de euros				Total
	Menos de 3 meses	Más de 3 meses y menos de 6 meses	Más de 6 meses y menos de 1 año	Más de 1 año	
Fianzas y depósitos	-	-	-	5.074	5.074
Deudores comerciales y otras cuentas por cobrar	1.432	-	-	-	1.432
Otros activos financieros corrientes	-	-	3	-	3
Efectivo y otros activos líquidos equivalentes	71.158	-	-	-	71.158
Total	72.590	-	3	5.074	77.667

Ejercicio 2016

	Miles de euros				Total
	Menos de 3 meses	Más de 3 meses y menos de 6 meses	Más de 6 meses y menos de 1 año	Más de 1 año	
Créditos a terceros	-	-	-	-	-
Fianzas y depósitos	-	-	-	3.814	3.814
Deudores comerciales y otras cuentas por cobrar	2.452	-	-	2.452	2.452
Otros activos financieros corrientes	-	24	-	-	24
Efectivo y otros activos líquidos equivalentes	28.801	-	-	-	28.801
Total	31.253	24	-	6.266	35.091

Efectivo y equivalentes de efectivo

El Grupo mantiene efectivo y equivalentes de efectivo por 71.158 miles de euros que representan su máxima exposición al riesgo por estos activos.

El efectivo y equivalentes de efectivo son mantenidos con bancos e instituciones financieras.

Riesgo de liquidez

Se define como el riesgo de que el Grupo tenga dificultades para cumplir con sus obligaciones asociadas a sus pasivos financieros que son liquidados mediante la entrega de efectivo o de otros activos financieros.

El Grupo lleva a cabo una gestión prudente del riesgo de liquidez, fundada en el mantenimiento de suficiente liquidez para cumplir con sus obligaciones cuando vencen, tanto en condiciones normales como de tensión, sin incurrir en pérdidas inaceptables o arriesgar la reputación del Grupo.

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A continuación, se detalla la exposición del Grupo al riesgo de liquidez al 31 de diciembre de 2017 y 2016. Las tablas adjuntas reflejan el análisis de los pasivos financieros por fechas contractuales de vencimientos remanentes.

Ejercicio 2017

	Miles de euros				
	Menos de 1 mes	De 1 a 3 meses	De 3 meses a 1 año	Más de 1 año	Total
Pasivos financieros con entidades de crédito	301	1.000	1.238	470.665	473.204
Otros pasivos no corrientes – fianzas y depósitos	-	-	-	15.002	15.002
Otros pasivos no corrientes	-	-	-	355.565	355.565
Acreedores comerciales y otras cuentas a pagar (sin incluir saldos con la Administración Pública)	4.326	-	-	-	4.326
Total	4.627	1.000	1.238	841.232	848.097

Ejercicio 2016

	Miles de euros				
	Menos de 1 mes	De 1 a 3 meses	De 3 meses a 1 año	Más de 1 año	Total
Pasivos financieros con entidades de crédito	10.735	1.000	898	348.851	361.484
Otros pasivos no corrientes – fianzas y depósitos	-	-	-	7.248	7.248
Acreedores comerciales y otras cuentas a pagar (sin incluir saldos con la Administración Pública)	5.956	-	-	-	5.956
Total	16.691	1.000	898	356.099	374.688

Riesgo de solvencia

A 31 de diciembre de 2017 el endeudamiento financiero neto bancario del Grupo ascendía a 401.926 miles de euros tal como se muestra en el siguiente cuadro:

	Miles de euros
Deuda financiera bruta bancaria:	
Préstamo sindicado	348.181
Préstamos hipotecarios	124.602
Intereses devengados	301
Tesorería y equivalentes	(71.158)
Endeudamiento financiero neto bancario	401.926

Riesgo de tipo de cambio

El Grupo no tiene exposición al riesgo de fluctuaciones en los tipos de cambio pues realiza sus operaciones en moneda funcional.

Riesgo fiscal

Tal y como se menciona en la Nota 1, la Sociedad Dominante se acogió al régimen fiscal especial de la Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI). Según lo establecido en el artículo 6 de la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre las SOCIMI, las sociedades que han optado por dicho régimen están 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 siguientes a la conclusión de cada ejercicio y pagarse dentro del mes siguiente a la fecha del acuerdo de distribución.

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.

Al 31 de diciembre de 2017, la Sociedad Dominante no cumple el requisito asociado a la incorporación de sus acciones al mercado bursátil, cuya fecha límite es el 22 de septiembre de 2018. En este sentido, el Consejo de Administración ha aprobado en su sesión del 30 de noviembre de 2017, el inicio del proceso que permitirá incorporar las acciones de la Sociedad Dominante al mercado continuo en los próximos meses. Por este motivo, y considerando el apoyo de los Accionistas, los Administradores de la Sociedad Dominante estiman que el requisito de cotización junto con el resto de requisitos exigidos para poder aplicar el régimen fiscal especial, se cumplirán según los términos establecidos por la normativa vigente, y que la Sociedad Dominante permanecerá acogida al régimen SOCIMI.

25. Garantías comprometidas con terceros y otros pasivos contingentes

Al 31 de diciembre de 2017 y 2016 el Grupo tiene garantías prestadas a terceros por importe de 280 y 265 miles de euros, respectivamente. Así mismo, el único pasivo contingente significativo se describe en la Nota 20.1.

26. Hechos posteriores

Cancelación del contrato de servicios suscrito con Merlin Properties SOCIMI, S.A.

Conforme a la decisión adoptada por el Consejo de Administración de la Sociedad Dominante el 22 de diciembre de 2016, y una vez transcurridos los plazos y cumplidas las condiciones que para ello establece el contrato de servicios suscrito con Merlin Properties SOCIMI, S.A., la Sociedad Dominante de conformidad con lo previsto en la cláusula 9.3. ha notificado a Merlin Properties, SOCIMI, S.A. el desistimiento del mencionado contrato con efectos 19 de enero de 2018.

Habiéndose confirmado con el regulador el tratamiento contable de la citada cancelación, el impacto de dicho desistimiento implicará que el Grupo registrará un gasto por importe de 108.563 miles de euros (que incluye la parte correspondiente al IVA no recuperable) en sus estados financieros consolidados del ejercicio 2018 en concepto de compensación por cancelación del contrato así como inicialmente un pasivo por el mismo importe ante Merlin Properties SOCIMI, S.A. No obstante, dicho pasivo puede ser liquidado en caja o mediante la entrega de acciones de Testa Residencial SOCIMI, S.A., a voluntad del Grupo.

En este sentido, con fecha 26 de marzo de 2018, la Junta General de Accionistas de Testa Residencial SOCIMI, S.A. ha aprobado una ampliación de capital social por compensación de créditos por importe de 89.721 miles de euros, mediante la emisión de 640.693.342 nuevas acciones de 0,01 euros de valor nominal cada una de ellas (6.407 miles de euros), con una prima de emisión de 0,130037800013383 euros por acción emitida (83.314 miles de euros). Dicha ampliación de capital ha sido suscrita en su totalidad por Merlin Properties SOCIMI, S.A. El importe restante, correspondiente al Impuesto sobre el Valor Añadido, que ascendía a 18.840 miles de euros ha sido liquidado en efectivo.

Plan de incentivos a largo plazo a directivos y exit bonus

Con fecha 26 de marzo de 2018 el Consejo de Administración ha aprobado convocar la Junta General Ordinaria de accionistas, que incluye en su orden del día la propuesta de admisión a negociación de las acciones de la Sociedad en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia. En ese contexto, el Consejo de Administración ha aprobado un plan de incentivos a largo plazo para ciertos directivos. Dicho plan tendrá una duración de cinco años y estará ligado al cumplimiento de ciertos indicadores financieros ligados al valor de las acciones de la Compañía una vez admitidas a negociación para su devengo. El importe máximo que recibirían todos los beneficiarios del plan ascenderá a un importe máximo aproximado de 1,8 Millones de euros al año. El plan será pagadero en efectivo y en acciones a partes iguales.

Asimismo, el Consejo de Administración ha aprobado un plan de incentivo pagadero en acciones de la Sociedad



Dominante por los accionistas mayoritarios de la Sociedad Dominante a directivos clave y otros empleados para el caso de salida a Bolsa. El número de acciones a entregar los directivos clave estará ligado a un criterio de permanencia y al precio de las acciones en su fecha de admisión. La cantidad de acciones para el resto de empleados es fija y está solo ligada al criterio de permanencia.

El Grupo contabilizará ambos planes de acuerdo a los requisitos exigidos la normativa contable vigente aplicable.

Adquisición de una cartera de viviendas

Con fecha 23 de marzo de 2018, el Grupo ha suscrito con un tercero un contrato de compraventa para la adquisición de 1.458 viviendas, por un importe de aproximadamente 228 millones de euros. De acuerdo con las condiciones del contrato, la efectividad del mismo está sujeto al cumplimiento de determinadas condiciones suspensivas, habituales en este tipo de transacciones, que se estima se cumplirán en los próximos meses. La financiación de esta adquisición se llevará a cabo a través de la disposición parcial de la deuda sindicada suscrita en diciembre de 2017.

Anexo I

Sociedades Dependientes al 31 de diciembre de 2017

Sociedad	Actividad / Domicilio	Participación	Miles de Euros								Método	Auditor
			Capital	Resultado		Resto de Patrimonio	Total Patrimonio	Dividendos Recibidos	Valor en libros			
				Explotación	Neto				Coste	Deterioro		
Compañía Urbanizadora del Coto, S.L.	Adquisición y promoción de bienes inmuebles para su arrendamiento / Paseo de la Castellana 257, Madrid	99,66%	15.315	19.005	18.386	192.356	226.057	-	290.040	-	Integración Global	Deloitte, S.L.
Testa Alquileres Urbanos, S.L.U.	Adquisición y promoción de bienes inmuebles para su arrendamiento / Paseo de la Castellana 257, Madrid	100%	55.087	1.541	1.155	7.625	63.867	-	132.137	-	Integración Global	Deloitte; S.L.
Valgrand 6, S.A.U.	Adquisición y promoción de bienes inmuebles para su arrendamiento / Paseo de la Castellana 257, Madrid	100%	10.013	248	580	411	11.004	-	12.266	(1.201)	Integración Global	N/A

TESTA RESIDENCIAL, SOCIMI, S.A. y Sociedades Dependientes

Informe de Gestión Consolidado del ejercicio
terminado el 31 de diciembre de 2017

1. ESTRUCTURA ORGANIZATIVA Y FUNCIONAMIENTO

Estrategia

El Grupo Testa Residencial SOCIMI, S.A. (en adelante el "Grupo Testa" o el "Grupo") es un grupo cuyo principal objetivo es generar retorno sostenible al accionista a través de la adquisición, gestión enfocada y rotación selectiva de activos inmobiliarios patrimoniales residenciales en los segmentos de perfil de riesgo moderado.

Composición

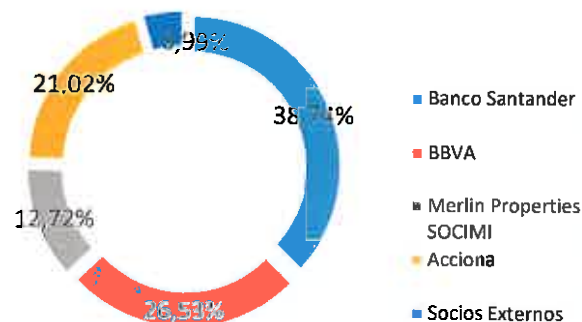
La descripción de la estructura organizativa interna se puede resumir en:

- Consejo de administración: formado por 10 consejeros.
- Comisión de Auditoría (CA)

A continuación, se desglosan los miembros del Consejo de Administración, así como, su categoría:

- D. Ignacio Moreno Martínez (Presidente no ejecutivo). Independiente.
- D. Miguel Oñate Rino (Consejero Ejecutivo).
- D. Fernando Rodríguez-Avial Llardent.. Dominical.
- Dña. Isabel Antunez Cid. Dominical.
- D. Carlos Manzano Cuesta. Dominical.
- D. Jaime Rodríguez Andrade. Dominical.
- D. Cesáreo Rey-Baltar Oramas.. Dominical.
- D. José María Xercavins Lluch. Independiente
- D. Antonio Hernández Mancha. Independiente.
- D. Javier Alarcó Canosa. Independiente.
- D. Lucas Osorio Iturmendi (Secretario no Consejero)

Estructura de capital al 31 de diciembre de 2017



2. ASPECTOS CLAVE

APORTACION/ADQUISICIÓN DE ACTIVOS

Durante el ejercicio 2017 y 2016 como principales operaciones de aportación y compras de activos cabe mencionar las siguientes:

- En septiembre de 2016 se formalizó mercantilmente la combinación de los negocios patrimoniales de naturaleza residencial de Metrovacesa (valorado en 460 millones de euros) y Testa Residencial (valorado en 186 millones de euros).
- En marzo de 2017, se incorporaron activos inmobiliarios por importe de 659.723 miles de euros, como resultado de una ampliación de capital no dineraria con las entidades financiera accionistas.
- En septiembre de 2017, se incorporaron activos inmobiliarios correspondientes principalmente a viviendas situadas en Madrid, por importe de 413.601 miles de euros, como resultado de la combinación de negocios con Acciona Real Estate S.L.
- En septiembre y diciembre de 2017, la Sociedad Dominante del Grupo adquirió viviendas situadas en Madrid a terceros por importe de 45.217 y 4.140 miles de euros respectivamente.

Los efectos económicos y operativos de las aportaciones realizadas en el ejercicio 2017 conforme a los acuerdos adoptados entre las partes han tenido económicamente efectos a partir de los meses de abril y octubre 2017.

REFINANCIACIÓN

- En diciembre de 2017 la Sociedad Dominante suscribió un préstamo sindicado sin garantía hipotecaria por importe de 800 millones de euros de los que a fecha de 31 de diciembre de 2017 solamente se ha dispuesto por importe de 350 millones de euros. Esta financiación se ha destinado a la cancelación del anterior préstamo sindicado de la Sociedad Dominante (Testa Residencial SOCIMI, S.A.) por importe de 250 millones de euros, cuyo vencimiento estaba estipulado en mayo de 2018, y a la cancelación del préstamo sindicado hipotecario y las coberturas asociadas contraídas por la sociedad dependiente Compañía Urbanizadora del Coto S.L. por importe de 77 y 2 millones de euros, respectivamente.

DATOS CLAVE DE LA CARTERA

	<u>31/12/2017</u>	<u>31/12/2016</u>
Valor bruto activos ⁽¹⁾ (€ miles)	2.275.521	1.078.608
Renta bruta 2017 (€ miles) ⁽²⁾	72.367	34.301
Yield bruto (€ miles) ⁽³⁾	3,2%	3,2%
Número de apartamentos (unidades)	9.244	4.677
Rentas brutas (€/m ² /mes) ⁽⁴⁾	7,5	6,6
Rentas brutas (€/apartamento/mes) ⁽⁵⁾	679	618
Total S.B.A. residencial (m ²)	837.739	439.765
Tasa de ocupación de la cartera residencial	90%	92%

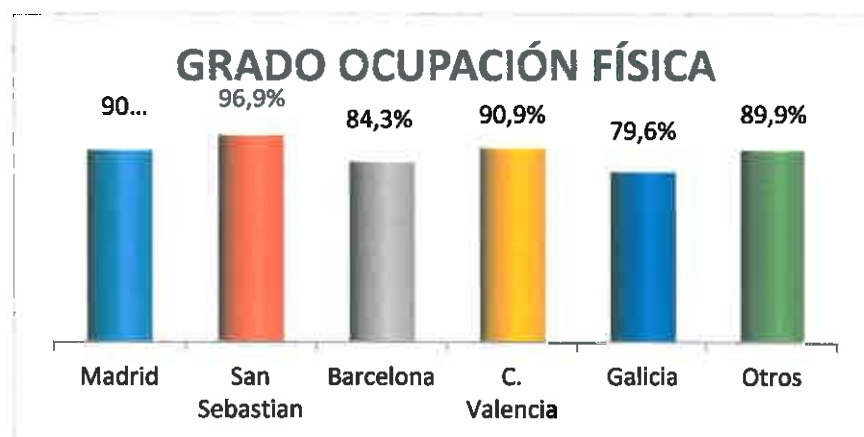
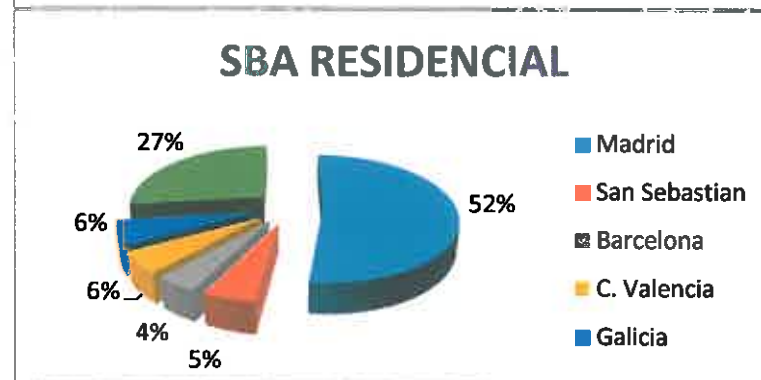
⁽¹⁾ Según tasación realizada por Savills a 31 de diciembre de 2017 y 2016

⁽²⁾ Calculado como la renta bruta correspondiente a diciembre 2017 y 2016 multiplicada por 12

⁽³⁾ Calculado como la renta bruta dividida por valor bruto de los activos en explotación

⁽⁴⁾ Calculado como la renta bruta residencial correspondientes a 31 de diciembre dividida por la superficie construida arrendada.

⁽⁵⁾ Calculado como la renta bruta residencial correspondientes a 31 de diciembre dividida por el número de apartamentos



PRINCIPALES MAGNITUDES ECONÓMICO-FINANCIERAS CONSOLIDADAS (IFRS)

(Miles €)	31/12/2017	31/12/2016
Total Ingresos	53.084	9.589
Ingresos por rentas	52.439	9.035
Rentas Netas	38.764	6.642
EBITDA	25.147	2.922
Resultado neto del periodo	70.186	24.781
	31/12/2017	31/12/2016
Deuda Financiera Bruta	473.204	361.484
Deuda Financiera Neta	402.046	332.683
Valor de los Activos ("GAV")	2.275.521	1.078.608
Deuda Financiera Neta/Valor Bruto Activos ("GAV")	17,7%	30,8%
Resultado básico por acción (euros)	0,0076	0,0053
Resultado por acción diluida (euros)	0,0076	0,0053

CUENTA DE PÉRDIDAS Y GANANCIAS CONSOLIDADA

A continuación, se muestra la cuenta de resultados separada del periodo terminado a 31 de diciembre de 2017 y 2016.

(Miles de euros)	31/12/2017	31/12/2016
Importe neto cifra negocios	52.943	9.586
Ingresos por Rentas	52.439	9.035
Prestación de servicios	504	551
Otros ingresos de explotación	141	3
Otros ingresos de explotación	141	3
Total Ingresos de explotación	53.084	9.589
Gastos de explotación de activos no repercutibles a arrendatarios	(13.675)	(2.393)
Gastos de Personal	(3.214)	(2.000)
Gastos Generales	(11.048)	(2.274)
Total Gastos de explotación	(27.937)	(6.667)
EBITDA	25.147	2.922
Amortizaciones	(3.145)	(810)
Correcciones por Deterioro	(300)	(66)
Resultado de enajenación inmovilizado	286	163
EBIT	21.988	2.209
Resultado Financiero Neto	(16.715)	(1.140)
Revalorización neta de Inversiones inmobiliarias	65.209	23.953
RESULTADO ANTES DE IMPUESTOS	70.482	25.022
Impuesto sobre beneficios	(296)	(241)
RESULTADO DEL PERIODO	70.186	24.781
Atribuible a accionistas de la Sociedad Dominante	70.146	24.781
Atribuible a socios externos	40	-
Resultado básico por acción (euros)	0,0076	0,0053
Resultado por acción diluida (euros)	0,0076	0,0053

COMPARACIÓN DE LA INFORMACIÓN

En septiembre del ejercicio 2016 tuvo lugar la fusión inversa entre Testa Residencial SOCIMI, S.A. y el negocio residencial de Metrovacesa S.A., siendo este último el negocio adquirente. Por este hecho, la cuenta de resultados consolidada del ejercicio 2016 comprende únicamente el periodo desde la fecha de combinación de ambos negocios, tres meses y 15 días, debido a que el negocio residencial de Metrovacesa, carecía de estados financieros separados, puesto que se integraban en los estados financieros de Metrovacesa, S.A.

Notas a la cuenta de resultados

Las rentas brutas se corresponden con las rentas derivadas de los contratos de arrendamiento suscritos con los arrendatarios. Las rentas netas no incluyen las refacturaciones realizadas a inquilinos en concepto de gastos comunes, estas figuran netas, dentro del concepto "Gastos de explotación de activos no repercutibles a arrendatarios".

La evolución en las Rentas Brutas durante el ejercicio 2017 es positiva como consecuencia principalmente de la evolución del precio medio euro/m² que se ha incrementado de 6,59 a 7,5 €/m². A continuación se muestra la evolución de las rentas medias para el ejercicio 2017 así como la evolución de la ocupación:

	RENTAS €/ M2				
	31/12/2016	31/03/2017	30/06/2017	30/09/2017	31/12/2017
MADRID	8,07	8,26	8,39	9,00	9,19
MÁLAGA	0,00	8,05	7,99	8,17	8,39
ARAGÓN	0,00	8,16	8,20	8,16	8,66
OVIEDO	0,00	4,81	4,94	5,08	5,15
PALMA DE MALLORCA	4,71	5,10	5,21	5,35	5,46
LAS PALMAS DE GRAN CANARIA	0,00	4,74	4,86	5,03	5,28
TOLEDO	3,62	3,72	3,81	4,07	4,29
VALLADOLID	4,36	4,35	4,55	4,60	4,66
BARCELONA	6,11	8,87	9,01	8,66	8,98
VALENCIA	4,53	4,70	4,73	4,88	5,06
GALICIA	0,00	4,24	4,25	4,34	4,40
PAMPLONA	4,81	4,90	4,94	4,98	5,01
SAN SEBASTIÁN	7,09	7,13	7,16	7,16	7,20
TOTAL RESIDENCIAL	6,59	6,66	6,75	7,35	7,50

La ocupación en los últimos seis meses del ejercicio 2017 ha sido positiva, incrementándose desde el 88% hasta el 90%.

Los gastos generales incluyen los gastos derivados de la prestación de servicios de asesoría, planificación y gestión estratégica de los negocios con Merlin Properties SOCIMI, S.A. a cambio de una contraprestación económica anual de 7,7 millones de euros más el impuesto sobre el valor añadido. Con fecha 3 de enero de 2018, la Sociedad Dominante ha notificado a Merlin Properties SOCIMI, S.A. el desistimiento del mencionado contrato de gestión con efectos 19 de enero de 2018.

Dentro de los resultados financieros netos se incluye la amortización extraordinaria de los gastos de formalización de deuda por importe de 2.280 miles de euros que corresponden a los gastos de formalización imputados por la cancelación de los préstamos cancelados con ocasión de la refinanciación llevada a cabo en el mes de diciembre de 2017.

Las inversiones inmobiliarias se presentan valoradas a valor razonable, dicho valor se determina tomando como referencia las valoraciones realizadas por expertos independientes.

El 22 de septiembre de 2016 se acordó, por parte de la Junta General de Accionistas, el acogimiento de Testa Residencial Socimi, S.A., a partir del ejercicio social iniciado el 1 de enero de 2016, al régimen especial propio de las sociedades anónimas cotizadas de inversión en el mercado inmobiliario (el Régimen de SOCIMIs).

Como consecuencia de lo anterior el gasto por impuesto acumulado a 31 de diciembre de 2017 y 2016 procede principalmente de las sociedades no acogidas en el periodo al régimen de SOCIMIs y los resultados por ventas de activos.

En el ejercicio 2017 el Grupo Testa ha generado una cifra de negocios, que asciende a 52.943 miles de euros, un EBITDA de 25.147 miles de euros y un resultado consolidado neto de 70.186 miles de euros como consecuencia

principalmente los resultados operativos generados y de las revalorizaciones netas de las inversiones inmobiliarias.

A continuación, se muestra los márgenes brutos de explotación y de ebitda así como las magnitudes FFO1 y AFFO para los ejercicios finalizados a 31 de diciembre de 2017 y 2016:

EBITDA	25.147	2.922
Ingresos por prestación de servicios y otros	(645)	(554)
Ajustes no recurrentes ⁽¹⁾	9.317	1.812
EBITDA (Ajustado)	33.819	4.180
	%	64,5%
Pago/Cobros intereses	(11.619)	(1.140)
Pago impuesto sociedades	(114)	(133)
FFO1	22.086	2.907
Inversión en mejoras ⁽²⁾	(3.339)	(1.000)
AFFO	18.747	1.907

(1) Corresponde a el contrato de prestación de servicios de Merlin Properties, Socimi, S.A., cancelado con fecha 19 de enero de 2018.

(2) Corresponde a las mejoras en los activos. No incluye costes de adquisición de los activos.

BALANCE CONSOLIDADO

ACTIVO	31/12/2017	31/12/2016	PATRIMONIO NETO Y PASIVO	31/12/2017	31/12/2016
ACTIVO NO CORRIENTE	2.283.486	1.079.411	PATRIMONIO NETO	1.394.524	674.385
Inmovilizado intangible	156.442	159.410	Capital	125.863	46.766
Inmovilizado material	70	70	Prima de emisión	1.332.879	411.032
Inversiones inmobiliarias	2.106.079	912.304	Reservas	(134.800)	192.295
Inversiones financieras no corrientes	9.812	7.401	Beneficios Consolidados del ejercicio	70.146	24.781
Activos por impuesto diferido	11.083	296	Ajustes por cambios de valor	(336)	(489)
			Socios Externos	772	-
			PASIVO NO CORRIENTE	947.505	418.158
			Provisiones a largo plazo	320	1.410
			Deudas a largo plazo con entidades de crédito	470.665	348.851
			Otros pasivos financieros no corrientes	370.567	7.248
			Pasivos por impuesto diferido	105.953	60.649
ACTIVO CORRIENTE	72.593	32.146	PASIVO CORRIENTE	14.050	19.014
			Provisiones a corto plazo	1.019	-
Deudores comerciales y otras cuentas a cobrar	1.432	2.452	Deudas a corto plazo con entidades de crédito	2.539	12.633
Otros activos financieros corrientes	3	227	Deudas a corto plazo con empresas del grupo	5.400	-
Otros activos corrientes	-	666	Acreedores comerciales y otras cuentas a pagar	5.092	6.381
Efectivo y otros activos líquidos equivalentes	71.158	28.801	Otros pasivos corrientes	-	-
TOTAL ACTIVO	2.356.079	1.111.557	TOTAL PATRIMONIO NETO Y PASIVO	2.356.079	1.111.557

Notas al Balance Consolidado

Durante el ejercicio 2017 como principales operaciones de aportación y compras de activos cabe mencionar las siguientes:

- En marzo de 2017, se incorporaron activos inmobiliarios por importe de 659.723 miles de euros, como resultado de una ampliación de capital no dineraria con las entidades financiera accionistas.
- En septiembre de 2017, se incorporaron activos inmobiliarios correspondientes principalmente a viviendas situadas en Madrid, por importe de 413.601 miles de euros, como resultado de la combinación de negocios con Acciona Real Estate S.L.
- En septiembre y diciembre de 2017, la Sociedad Dominante del Grupo adquirió viviendas situadas en Madrid a terceros por importe de 45.217 y 4.140 miles de euros respectivamente.

El efecto de las operaciones anteriormente descritas y los principales efectos en la variación del balance con respecto a 31 de diciembre del ejercicio 2017 son las siguientes:

- Incremento de los Fondos Propios por importe de 998,8 millones de euros
- Incremento en Inversiones Inmobiliarias por importe de 1.122,7 millones de euros
- Como consecuencia de la incorporación de los activos inmobiliarios de Acciona Real Estate, S.L. también fueron aportados "deudas con entidades de crédito" y "efectivo y otros activos líquidos equivalentes" por importe aproximado de 77,9 y 39,7 millones de euros respectivamente que han sido el motivo principal del incremento de la deuda financiera y el efectivo acaecidos durante el periodo.

TESTA RESIDENCIAL, SOCIMI, S.A. Y SOCIEDADES DEPENDIENTES

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- El contrato de accionistas suscrito con Acciona Real Estate, S.L. estipula que, si el Grupo antes del 21 de septiembre de 2022 no hubiese incorporado sus acciones al mercado bursátil, Acciona Real Estate S.L. tendría derecho a exigir al Grupo, dentro de los seis meses siguientes a dicha fecha, la amortización de las acciones suscritas en la aportación de septiembre 2017. Como contrapartida, Acciona Real Estate, S.L. recibiría un importe equivalente al porcentaje que representen sus acciones sobre el EPRA NAV del Grupo a la fecha de la amortización. La liquidación se realizaría, a opción de la Sociedad Dominante, mediante efectivo o la entrega de los activos recibidos.

Este derecho del que es titular Acciona Real Estate, S.L. representa para el Grupo una obligación potencial de recompra de las acciones emitidas en la ampliación de capital suscrita por Acciona Real Estate, S.L., en consecuencia y conforme a la IAS 32 la compañía ha registrado un pasivo a largo plazo a valor razonable. Este pasivo se encuentra registrado en el epígrafe "Otros pasivos no corrientes" del balance por un importe de 355.565 miles de euros.

En este sentido, los Administradores de la Sociedad Dominante estiman que es altamente probable que el Grupo incorpore sus acciones al mercado bursátil antes del 21 de septiembre de 2022, y por tanto, la opción de amortización de sus acciones por parte de Acciona Real Estate S.L. expirara, y en consecuencia el pasivo se transformara inmediatamente en patrimonio neto.

Tras las operaciones de aportación de activos mencionados con anterioridad la composición del capital social a 31 de diciembre de 2017 de la Sociedad dominante, es como sigue:

Nombre / Razón social	Acciones	% Particip.
GRUPO SANTANDER	4.876.467.976	38,74%
GRUPO BBVA	3.339.092.802	26,53%
MERLIN PROPERTIES, SOCIMI, S.A.	1.601.315.578	12,72%
ACCIONA REAL STATE S.A.U.	2.645.404.051	21,02%
MINORITARIOS	124.046.508	0,99%
TOTAL ACCIONES TESTA RESIDENCIAL	12.586.326.915	100,00%

Tras la capitalización por la cancelación del contrato de prestación de servicios de Melin Properties Socimi, S.A. la estructura del accionariado de la Sociedad dominante, será como sigue:

Nombre / Razón social	Acciones	% Particip.
GRUPO SANTANDER	4.876.467.976	36,87%
GRUPO BBVA	3.339.092.802	25,24%
MERLIN PROPERTIES, SOCIMI, S.A.	2.242.008.920	16,95%
ACCIONA REAL STATE S.A.U.	2.645.404.051	20,00%
MINORITARIOS	124.046.508	0,94%
TOTAL ACCIONES TESTA RESIDENCIAL	13.227.020.257	100,00%

El valor razonable de los activos inmobiliarios de cartera del Grupo Testa asciende a 2.275.333 miles de euros y se corresponde con las valoraciones obtenidas por parte de Savills a fecha de 31 de diciembre de 2017. Las plusvalías implícitas no registradas en el balance consolidado a 31 de diciembre de 2017 ascienden a 8.361 miles de euros.

DISTRIBUCIÓN GEOGRÁFICA DE MERCADOS PREMIUM Y CORE

A continuación, se detalla los principales indicadores de referencia en la distribución de los 10 principales mercados en los que el grupo realiza sus actividades:

Áreas geográficas	Total Portfolio				Portfolio Residencial			
	GAV (Millones €)	GAV (%)	Rentas Brutas (Mill. €) ⁽¹⁾	Yield Bruto(%) ⁽²⁾	Número Apartamentos	GAV (€/m²) ⁽³⁾	Rentas pasante (€/m²/mes) ⁽⁴⁾	Ocupación (%) ⁽⁵⁾
Mercados Premium y Core								
Madrid ⁽⁶⁾	1.450	63,7	44,0	3,0	4.431	3.520	9,6	89,0
San Sebastián ^(*)	165	7,2	4,0	2,4	510	3.482	7,2	97,0
Barcelona ^(*)	94	4,1	2,9	3,1	319	3.553	10,3	90,0
Las Palmas de Gran Canaria ^(*)	67	2,9	2,5	3,8	455	1.468	5,3	96,0
Palma de Mallorca ^(*)	62	2,7	2,4	3,9	273	1.616	5,5	96,0
Valencia ^(*)	56	2,5	1,5	2,6	225	2.161	5,1	94,0
Toledo ^(*)	54	2,4	2,1	3,9	449	1.203	4,3	91,0
Pamplona ^(*)	46	2,0	2,1	4,5	401	1.271	5,0	96,0
Valladolid ^(*)	42	1,9	1,6	3,7	448	1.297	4,7	86,0
Oviedo ^(*)	35	1,5	0,9	2,7	217	1.727	5,1	75,0
Mercados Top 10	2.071	91,0	64,0	3,1	7.728	2.839	7,9	91,0
Otras localizaciones⁽⁷⁾	84	3,7	2,6	3,0	499	1.816	5,4	87,0
Total mercados premium y core	2.155	94,7	66,6	3,1	8.227	2.777	7,8	90,0
Activos non-core	121	5,3	5,7	4,7	1.017	1.042	5,4	82,0
Total portfolio	2.275	100,0	72,2	3,1	9.244	2.539	7,5	90,0

(*) Mercado premium; (**) Mercado core

(1) Rentas brutas a 31 de diciembre de 2017 multiplicadas por 12.

(2) Rentas brutas a 31 de diciembre de 2017 dividido por GAV.

(3) GAV dividido por superficie construida a 31 de diciembre de 2017. La superficie construida incluye la superficie útil de los apartamentos mas el porcentaje de zonas comunes (escaleras, entrada, pasillos...) pero no incluye otras zonas comunes anejas a los edificios.

(4) Rentas brutas dividida por superficie construida a 31 de diciembre de 2017. La superficie construida incluye la superficie útil de los apartamentos mas el porcentaje de zonas comunes (escaleras, entrada, pasillos...) pero no incluye otras zonas comunes anejas a los edificios.

(5) Superficie construida arrendada dividida entre la superficie total construida a 31 de diciembre de 2017. La superficie construida incluye la superficie útil de los apartamentos mas el porcentaje de zonas comunes (escaleras, entrada, pasillos...) pero no incluye otras zonas comunes anejas a los edificios.

(6) Referida a la Comunidad Autónoma de Madrid.

(7) Incluye Alicante, A Coruña, Vigo y Málaga.

Áreas geográficas	Portfolio Residencial							
	I-I-I Rentas				I-I-I Ocupación			
	30/06/2017	31/12/2017	30/09/2017	31/12/2017	30/06/2017	31/12/2017	30/09/2017	31/12/2017
Mercados Premium y Core								
Madrid ⁽⁶⁾	8,7	9,1	9,3	9,6	87,9%	88,7%	89,2%	89,3%
San Sebastián ^(*)	7,2	7,2	7,2	7,2	98,6%	96,9%	96,6%	96,9%
Barcelona ^(*)	9,7	10,2	9,9	10,3	89,4%	90,3%	92,6%	90,3%
Las Palmas de Gran Canaria ^(*)	4,9	5,3	5,0	5,3	94,6%	96,3%	92,7%	96,3%
Palma de Mallorca ^(*)	5,2	5,5	5,4	5,5	91,4%	95,8%	95,4%	95,8%
Valencia ^(*)	4,7	5,1	4,9	5,1	90,3%	93,9%	88,3%	93,9%
Toledo ^(*)	3,8	4,3	4,1	4,3	91,7%	90,5%	87,3%	90,5%
Pamplona ^(*)	4,9	5,0	5,0	5,0	95,0%	96,0%	95,3%	96,0%
Valladolid ^(*)	4,6	4,7	4,6	4,7	80,1%	85,9%	81,5%	85,9%
Oviedo ^(*)	4,9	5,2	5,1	5,2	77,5%	75,5%	73,7%	75,5%
Mercados Top 10	7,0	7,4	7,7	7,9	89,5%	90,5%	89,7%	90,6%
Otras localizaciones⁽⁷⁾	5,1	5,4	5,3	5,4	82,2%	87,2%	83,0%	87,2%
Total mercados premium y core	6,9	7,2	7,6	7,8	89,0%	90,3%	89,4%	90,4%
Activos non-core	5,1	5,1	5,3	5,4	79,3%	80,5%	82,8%	82,3%
Total portfolio	6,7	7,1	7,3	7,5	88,0%	89,3%	88,6%	89,5%

(*) Mercado premium; (**) Mercado core

(6) Referida a la Comunidad Autónoma de Madrid.

(7) Incluye Alicante, A Coruña, Vigo y Málaga.

3. POLITICA DE DIVIDENDOS

El Grupo mantiene una política de dividendos que tiene en cuenta unos niveles sostenibles de distribución, y refleja la previsión del Grupo de obtención de beneficios recurrentes. El Grupo no pretende crear reservas que no puedan ser distribuidas a los Accionistas, salvo las legalmente requeridas.

De conformidad con el Régimen de SOCIMI, el Grupo estará obligada a adoptar acuerdos de distribución del beneficio obtenido en el ejercicio, después de cumplir cualquier requisito relevante de la Ley de Sociedades de Capital, en forma de dividendos, a los accionistas, debiéndose acordar su distribución dentro de los seis meses posteriores a la conclusión de cada ejercicio, en la forma siguiente: (i) al menos el 50% de los beneficios derivados de la transmisión de inmuebles y acciones o participaciones en filiales cualificadas; siempre que los beneficios restantes deben ser reinvertidos en otros activos inmobiliarios dentro de un periodo máximo de tres años desde la fecha de la transmisión o, si no, el 100% de los beneficios deben ser distribuidos como dividendos una vez transcurrido dicho periodo; (ii) el 100% de los beneficios obtenidos por recepción de los dividendos pagados por filiales cualificadas; (iii) al menos el 80% del resto de los beneficios obtenidos. Si el acuerdo de distribución de dividendos no se adopta en el plazo legalmente establecido, el Grupo perderá su condición de SOCIMI respecto del ejercicio al que se refieren los dividendos.

La política de dividendos del Grupo está fijada en una distribución de un mínimo del 80% del flujo de caja de operaciones menos el pago de intereses y menos el pago de los gastos ordinarios de mantenimiento de los activos.

4. RIESGOS E INCERTIDUMBRES

Las políticas de gestión de riesgo financiero dentro del sector patrimonialista en alquiler 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 mercado

Atendiendo a la situación actual del sector inmobiliario, y con el fin de minimizar el impacto que ésta puede provocar, el Grupo tiene establecidas medidas concretas que tiene previsto adoptar para minimizar dicho impacto en su situación financiera.

La aplicación de estas medidas está subordinada a los resultados de los análisis de sensibilidad que el Grupo realiza de forma recurrente. Estos análisis tienen en cuenta:

- Entorno económico en el que desarrolla su actividad: Diseño de diferentes escenarios económicos modificando las variables clave que pueden afectar al Grupo (tipos de interés, precio de las acciones, % de ocupación de las inversiones inmobiliarias, etc.). Identificación de aquellas variables interdependientes y su nivel de vinculación.
- Marco temporal en el que se está haciendo la evaluación: Se tendrá en cuenta el horizonte temporal del análisis y sus posibles desviaciones.

Riesgo de crédito

Se define como el riesgo de pérdida financiera al que se enfrenta el Grupo si un cliente o contraparte no cumple con sus obligaciones contractuales.

Con carácter general el Grupo mantiene su tesorería y activos líquidos equivalentes en entidades financieras de alto nivel crediticio.

El Grupo tiene políticas para limitar el volumen de riesgo con los clientes y la exposición al riesgo en la recuperación de créditos se administra como parte de las actividades normales, a través, entre otros aspectos por la obtención de fianzas y avales.

El Grupo cuenta con procedimientos formales para la detección del deterioro de créditos comerciales. Mediante estos procedimientos y el análisis individual por áreas de negocio, se identifican retrasos en los pagos y se establecen los métodos a seguir para estimar la pérdida por deterioro.

Efectivo y equivalentes de efectivo

El Grupo mantiene efectivo y equivalentes de efectivo por 71.158 miles de euros que representan su máxima exposición al riesgo por estos activos.

El efectivo y equivalentes de efectivo son mantenidos con bancos e instituciones financieras.

Riesgo de liquidez

Se define como el riesgo de que el Grupo tenga dificultades para cumplir con sus obligaciones asociadas a sus pasivos financieros que son liquidados mediante la entrega de efectivo o de otros activos financieros.

El Grupo lleva a cabo una gestión prudente del riesgo de liquidez, fundada en el mantenimiento de suficiente liquidez para cumplir con sus obligaciones cuando vencen, tanto en condiciones normales como de tensión, sin incurrir en pérdidas inaceptables o arriesgar la reputación del Grupo.

Riesgo de tipo de cambio

El Grupo no tiene exposición al riesgo de fluctuaciones en los tipos de cambio pues realiza sus operaciones en moneda funcional.

Riesgo fiscal

La Sociedad Dominante se acogió al régimen fiscal especial de la Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI). Según lo establecido en el artículo 6 de la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre las SOCIMI, las sociedades que han optado por dicho régimen están 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 siguientes a la conclusión de cada ejercicio y pagarse dentro del mes siguiente a la fecha del acuerdo de distribución.

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.

Al 31 de diciembre de 2017, la Sociedad Dominante no cumple el requisito asociado a la incorporación de sus acciones al mercado bursátil, cuya fecha límite es el 22 de septiembre de 2018. En este sentido, el Consejo de Administración ha aprobado en su sesión del 30 de noviembre de 2017, el inicio del proceso que permitirá incorporar las acciones de la Sociedad Dominante al mercado continuo en los próximos meses. Por este motivo, y considerando el apoyo de los Accionistas, los Administradores de la Sociedad Dominante estiman que el requisito de cotización junto con el resto de requisitos exigidos para poder aplicar el régimen fiscal especial, se cumplirán según los términos establecidos por la normativa vigente, y que la Sociedad Dominante permanecerá acogida al régimen SOCIMI.

5. ACCIONES PROPIAS

Al 31 de diciembre de 2017 y 2016 el Grupo no mantiene acciones propias.

6. EVOLUCION PREVISIBLE/ I+D+I / OTROS

Para ejercicio 2018 el Grupo Testa espera seguir en la misma tónica de excelente grado de ocupación y mantenimiento de rentas.

El Grupo espera asimismo continuar adquiriendo activos que encajen en su estrategia inversora para lo que cuenta al 31 de diciembre de 2017 con una posición de tesorería de 71 millones de euros, así como 450 millones de euros sin disponer del nuevo préstamo sindicado.

El Grupo considera que cumple con el plazo máximo legal a efectos de la lucha contra la morosidad. El periodo medio de pago a proveedores asciende aproximadamente a 15 días.

El Grupo no ha desarrollado durante el ejercicio 2017 ninguna actividad en materia de investigación y desarrollo.



Plantilla

El número medio de empleados del Grupo durante el ejercicio 2018 ascendió a 80 de los cuales el 47% son varones y el 53% son mujeres.

Responsabilidad corporativa

La actividad del Grupo por su naturaleza, no tiene un impacto medioambiental significativo.

7. CIRCUNSTANCIAS IMPORTANTES OCURRIDAS TRAS EL CIERRE DEL EJERCICIO

Cancelación del contrato de servicios suscrito con Merlin Properties SOCIMI, S.A.

Conforme a la decisión adoptada por el Consejo de Administración de la Sociedad el 22 de diciembre de 2016, y una vez transcurridos los plazos y cumplidas las condiciones que para ello establece el contrato de servicios suscrito con Merlin Properties SOCIMI, S.A., la Sociedad de conformidad con lo previsto en la cláusula 9.3. ha notificado a Merlin Properties, SOCIMI, S.A. el desistimiento del mencionado contrato con efectos 19 de enero de 2018.

El impacto de dicho desistimiento implicará que la Sociedad registrará un gasto por importe de 108.563 miles de euros (que incluye la parte correspondiente al IVA no recuperable) en sus estados financieros del ejercicio 2018 en concepto de compensación por cancelación de contrato así como inicialmente un pasivo por el mismo importe ante Merlin Properties SOCIMI, S.A. No obstante, dicho pasivo puede ser liquidado en caja o mediante la entrega de acciones de Testa Residencial SOCIMI, S.A., a voluntad de la Sociedad.

En este sentido, con fecha 26 de marzo de 2018, la Junta General de Accionistas de Testa Residencial SOCIMI, S.A. ha aprobado una ampliación de capital social por compensación de créditos por importe de 89.721 miles de euros, mediante la emisión de 640.693.342 nuevas acciones de 0,01 euros de valor nominal cada una de ellas (6.407 miles de euros), con una prima de emisión de 0,130037800013383 euros por acción emitida (83.314 miles de euros). Dicha ampliación de capital ha sido suscrita en su totalidad por Merlin Properties SOCIMI, S.A. El importe restante, correspondiente al Impuesto sobre el Valor Añadido, que ascendía a 18.842 miles de euros ha sido liquidado en efectivo.

Plan de incentivos a largo plazo a directivos y exit bonus

Con fecha 26 de marzo de 2018 el Consejo de Administración de la Sociedad ha aprobado convocar la Junta General Ordinaria de accionistas, que incluye en su orden del día la propuesta de admisión a negociación de las acciones de la Sociedad en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia. En ese contexto, el Consejo de Administración ha aprobado un plan de incentivos a largo plazo para ciertos directivos. Dicho plan tendrá una duración de cinco años y estará ligado al cumplimiento de ciertos indicadores financieros ligados al valor de las acciones de la Compañía una vez admitidas a negociación para su devengo. El importe máximo que recibirían todos los beneficiarios del plan ascenderá a un importe máximo aproximado de 1,8 Millones de euros al año. El plan será pagadero en efectivo y en acciones a partes iguales.

Asimismo, el Consejo de Administración ha aprobado un plan de incentivo pagadero en acciones de la Sociedad por los accionistas mayoritarios de la Sociedad a directivos clave y otros empleados para el caso de salida a Bolsa. El número de acciones a entregar los directivos clave estará ligado a un criterio de permanencia y al precio de las acciones en su fecha de admisión. La cantidad de acciones para el resto de empleados es fija y está solo ligada al criterio de permanencia.

Adquisición de una cartera de viviendas

Con fecha 23 de marzo de 2018, la Sociedad ha suscrito con un tercero un contrato de compraventa para la adquisición de 1.458 viviendas, por un importe de aproximadamente 228 millones de euros. De acuerdo con las condiciones del contrato, la efectividad del mismo está sujeto al cumplimiento de determinadas condiciones suspensivas, habituales en este tipo de transacciones, que se estima se cumplirán en los próximos meses. La financiación de esta adquisición se llevará a cabo a través de la disposición parcial de la deuda sindicada suscrita

en diciembre de 2017.

8. MEDIDAS ALTERNATIVAS DE RENDIMIENTO

Tal y como se indica en la Nota 2 de las cuentas anuales consolidadas, el Grupo prepara sus cuentas anuales consolidadas de acuerdo con las Normas Internacionales de Información Financiera adoptadas por la Unión Europea (NIIF-EU). Adicionalmente a la información contable bajo NIIF-EU, el Grupo considera relevante presentar ciertas Medidas Alternativas de Rendimiento (APMs por sus siglas en inglés) para favorecer la evaluación del rendimiento del Grupo. Las APMs deben ser consideradas por el usuario de la información financiera como complementarias de las magnitudes presentadas conforme a las bases de presentación de las cuentas anuales consolidadas, pero en ningún caso sustitutivas de éstas.

Así, el Grupo, dadas las particularidades de su negocio, explica su actividad y rendimiento en base a: Renta Pasante (Residencial y de Otros) y Renta Media Pasante Residencial por m² y apartamento, Rentas Brutas Anualizadas, Evolución de la Renta Media Pasante Residencial Like-for-Like, Rentas Netas y Margen sobre las Rentas Netas, EBITDA, EBITDA Ajustado y Margen sobre EBITDA Ajustado, FFO1 y FFO1 por acción, AFFO y AFFO por acción, Deuda Neta, Gross Asset Value, Yield Bruto, Loan to Value, EPRA NAV, EPRA NAV Ajustado y EPRA NAV Ajustado por acción, como indicadores clave que se entienden relevantes para el Grupo y el sector en el que opera. El Grupo utiliza estas medidas a la hora de planificar la estrategia, elaborar presupuestos, reportar a sus accionistas y revisar el desempeño del Grupo.

La Dirección del Grupo considera este tipo de medidas son frecuentemente empleadas en la industria por diferentes empresas. Particularmente, las medidas basadas en EBITDA se consideran útiles por la Dirección del Grupo ya que eliminan las potenciales diferencias en los resultados de las operaciones entre los diferentes períodos o empresas objeto de comparación, causadas principalmente por factores como la amortización y depreciación, los costes históricos, la antigüedad de los activos, las estructuras de capital y los regímenes tributarios.

A continuación, se detallan las definiciones, explicación del uso, cálculo y reconciliación de estas APMs con las cuentas anuales consolidadas del Grupo:

Renta Pasante (Residencial y de Otros) y Renta Media Pasante Residencial por m² y apartamento

El Grupo define Renta Pasante como la renta a la cual están arrendados, según contrato, los activos del Grupo el último día del período. Para separar las rentas residenciales y de locales comerciales, parkings, oficinas y otros, el Grupo diferencia entre Renta Pasante Residencial y Renta Pasante de Otros, por estos conceptos. La Renta Media Pasante Residencial es la Renta Pasante Residencial dividida por el número de metros cuadrados arrendados ocupados o el número de apartamentos ocupados. Estos APMs se considera útiles y relevantes porque representa la medida más actual posible de las rentas contratadas y pagaderas al Grupo por sus inquilinos.

Dada su naturaleza contractual estos APMs no puede ser reconciliados con las cuentas anuales consolidadas pero su cálculo se muestra a continuación:

	Euros	
	2017	2016
Renta Pasante Residencial	5.625.569	2.654.248
Renta Pasante de Otros	405.000	194.990
Renta Pasante Total	6.030.569	2.849.238
Metros cuadrados residencial arrendados (m ²)	750.139	404.543
Renta Media Pasante Residencial (€/m²)	7,50	6,59
Número de apartamentos ocupados (Uds.)	8.280	4.308
Renta Media Pasante Residencial (€/apartamento/mes)	679	616

Rentas Brutas Anualizadas



El Grupo define las Rentas Brutas Anualizadas como la Renta Pasante Total multiplicada por 12. El Grupo utiliza este APM como una medida para mostrar lo que espera sean sus ingresos por rentas a un año vista teniendo en cuenta su situación arrendataria actual.

Este APM surge por tanto de multiplicación directa lo que supone que las Rentas Brutas Anualizadas a 31 de diciembre de 2017 y 2016:

	Miles de Euros	
	2017	2016
Renta Pasante Total	6.031	2.858
Rentas Brutas Anualizadas	72.372	34.296

Evolución de la Renta Media Pasante Residencial Like-for-Like

El Grupo define la Evolución de la Renta Media Pasante Residencial Like-for-Like como la diferencia porcentual entre la Renta Media Pasante Residencial al final y al inicio de un periodo asumiendo un perímetro de activos arrendados constante durante el periodo.

Esta medida es relevante para el Grupo porque permite medir la evolución de las rentas sin tener en cuenta las posibles adquisiciones de activos dentro de un periodo de manera que no distorsionen la comparación.

Este APM se calcula de la siguiente manera, sin que pueda ser, por su naturaleza, reconciliado con los estados financieros del Grupo:

	Euros
	2017
(A) Renta Media Pasante Residencial al final del periodo para los activos mantenidos desde el inicio del periodo	7,09
(B) Renta Media Pasante Residencial al inicio del periodo para los activos mantenidos en ese momento	6,59
Evolución de la Renta Media Pasante Residencial Like-for-Like ((A/B) -1)	7,7%

Rentas Netas y Margen sobre las Rentas Netas

El Grupo define las Rentas Netas como los ingresos por arrendamientos menos los gastos no recuperables de los inmuebles en arrendamiento, ambos conceptos según aparecen en las cuentas anuales consolidadas del Grupo. El Margen sobre las Rentas Netas es la división de las Rentas Netas entre los ingresos por arrendamientos.

Estos indicadores son útiles para el Grupo porque dan una primera medida de rendimiento y rentabilidad de los activos arrendados. Su reconciliación y cálculo en base a las cuentas anuales consolidadas del Grupo es como sigue:

	Miles de Euros	
	2017	2016
Ingresos por arrendamiento (Nota 19.1)	52.439	9.035
(-) Gastos no recuperables de los inmuebles en arrendamiento (Nota 19.3)	(13.675)	(2.393)
Rentas Netas	38.764	6.642
Margen sobre las Rentas Netas	73,9%	73,5%

EBITDA, EBITDA Ajustado y Margen sobre EBITDA Ajustado

El Grupo define EBITDA como las Rentas Netas menos los gastos de personal y los gastos generales. El Grupo define EBITDA Ajustado como el EBITDA menos los gastos que se consideran excepcionales en el periodo. Para los ejercicios 2017 y 2016 estos gastos excepcionales son los derivados del contrato de prestación de servicios con Merlín Properties SOCIMI, S.A. El Margen sobre EBITDA Ajustado se define y calcula como EBITDA Ajustado entre Rentas Netas.

El EBITDA, EBITDA Ajustado y Margen sobre EBITDA Ajustado son utilizadas por el Grupo y la industria como una medida objetiva y comparable de rendimiento para evaluar nuestra capacidad de pago y de generación de efectivo.

El cálculo y reconciliación con las cuentas anuales consolidadas del Grupo de estos indicadores es como se muestra a continuación:

	Miles de Euros	
	2017	2016
Rentas Netas	38.764	6.642
(-) Gastos de personal (Nota 19.2)	(3.214)	(2.000)
(-) Gastos generales (Nota 19.3)		
Servicios profesiones	(8.440)	(1.753)
Alquileres de oficinas	(216)	(28)
Tributos	(1.933)	(416)
Otros	(459)	(78)
EBITDA	24.502	2.367
(+) Gasto anual contrato de prestación de servicios (Nota 20.1)	9.317	1.813
EBITDA Ajustado	33.819	4.180
Margen sobre EBITDA Ajustado	64,5%	46,26%

FFO1 y FFO1 por acción

El Grupo define FFO1 como los fondos de las operaciones que se calculan como el EBITDA Ajustado más los cobros por intereses, menos los pagos por intereses y los pagos por impuesto de sociedades, dichos cobros y pagos tal y como se incluyen en el estado de flujos de efectivo consolidado del Grupo. FFO1 por acción es el FFO1 dividido entre el número de acciones de la Sociedad Dominante a la fecha.

FFO1, total y por acción, es una medida ampliamente usada en el sector en el que opera el Grupo como un indicador de liquidez clave. Su cálculo y reconciliación se muestra a continuación:

	Miles de Euros	
	2017	2016
EBITDA Ajustado	33.819	4.180
(-) Pagos por intereses	(11.784)	(1.141)
(+) Cobros por intereses	165	1
(-) Pagos por impuesto sobre sociedades	(114)	(133)
FFO1	22.086	2.907
Número de acciones al cierre del periodo	12.586.326.743	4.676.593.732
FFO1 por acción	0,0018	0,0006

AFFO y AFFO por acción

El Grupo define AFFO como los fondos de las operaciones alternativos que se calculan como el FFO1 menos las activaciones por mejoras de las inversiones inmobiliarias, excluyendo costes de adquisición, extraídas estas últimas de las notas a las cuentas anuales consolidadas del Grupo. AFFO por acción es el AFFO dividido entre el número de acciones de la Sociedad Dominante a la fecha.

De manera similar al FFO1, el AFFO se utiliza porque da una medida de liquidez generada por las operaciones esta vez descontando las inversiones realizadas por el Grupo en mejorar sus activos.

	Miles de Euros	
	2017	2016
FFO1	22.086	2.907
(-) Activaciones por mejoras de las inversiones inmobiliarias (excluyendo costes de adquisición) (Nota 7)	(3.339)	-
AFFO	18.747	2.907
Número de acciones al cierre del periodo	12.586.326.743	4.676.593.732
AFFO por acción	0,0015	0,0006

Deuda Neta

El Grupo define la Deuda Neta como la deuda financiera con entidades de crédito, los bonos y otras deudas financieras, incluidos los intereses devengados no liquidados, menos el efectivo y otros activos líquidos equivalentes, tal y como se recogen estos conceptos en el estado de situación financiera consolidado del Grupo.

Esta medida ofrece una visión objetiva del endeudamiento financiero neto del Grupo.

La reconciliación de este APM con las cuentas anuales consolidadas es la siguiente:

	Miles de Euros	
	2017	2016
(+) Deudas con entidades de crédito a largo plazo (Nota 14)	473.224	348.462
(+) Deudas con entidades de crédito a corto plazo (Nota 14)	2.238	11.998
(-) Gastos de formalización (Nota 14)	(2.679)	(551)
(+) Intereses de deudas (Nota 14)	301	635
(+) Derivados financieros (Nota 14)	120	940
(-) Efectivo y otros activos líquidos equivalentes	(71.158)	(28.801)
Deuda Neta	402.046	332.683

Gross Asset Value

El Grupo define Gross Asset Value (GAV) como el valor bruto de sus inversiones inmobiliarias y proyectos concesionales a la fecha de medición valorados por un experto tasador independiente.

El GAV es una medida de referencia del valor total de los activos del Grupo de uso extendido en el sector.

El GAV no se reconcilia con las cuentas anuales consolidadas sino que difiere ligeramente de las mismas en función del tratamiento contable de los proyectos concesionales.

El GAV a 31 de diciembre de 2017 ha sido 2.275.521 miles de euros mientras que a 31 de diciembre de 2016 era 1.078.608 miles de euros.

Yield Bruto

El Grupo define el Yield Bruto como las Rentas Brutas Anualizadas entre el GAV.

El Yield Bruto es una medida que representa la rentabilidad bruta de los activos del Grupo.

Su cálculo, en base a los APMs previamente definidos, es la siguiente:

	2017	2016
Rentas Brutas Anualizadas	72.372	34.296
GAV	2.275.521	1.078.608
Yield Bruto	3,18%	3,18%

Loan to Value

El Grupo define Loan to Value (LTV) como la Deuda Neta sobre el GAV.

El LTV se usa como una medida para el análisis y comparación del endeudamiento y apalancamiento del Grupo.

Consistente con su definición el LTV, en lugar de reconciliarse, se calcula a través dos APMs previamente reconciliados tal y como se muestra a continuación:

	Miles de Euros	
	2017	2016
Deuda financiera neta	402.046	332.683
GAV	2.275.521	1.078.608
Loan to Value	17,7%	30,8%

EPRA NAV, EPRA NAV Ajustado y EPRA NAV Ajustado por acción

El Grupo define EPRA NAV como el patrimonio neto atribuido a la Sociedad Dominante más las plusvalías implícitas en proyectos concesionales, el valor razonable de los derivados financieros y los pasivos por impuesto diferidos menos los activos por impuestos diferido. El EPRA NAV Ajustado pretende ilustrar cuál será el EPRA NAV del Grupo una vez tengan efecto las dos operaciones corporativas que se espera tengan lugar en 2018: el pago del IVA por la cancelación del contrato de servicios con Merlín Properties SOCIMI, S.A. y la conversión en patrimonio del pasivo existente con Acciona fruto de las cláusulas contractuales de la operación que dio lugar a la combinación de negocios descrita en la Nota 3 de las cuentas anuales consolidadas del Grupo. Por lo tanto, el EPRA NAV Ajustado se calcula como el EPRA NAV más lo que ambas transacciones representarían en el patrimonio neto. El EPRA NAV Ajustado por acción es simplemente el EPRA NAV Ajustado dividido entre el número de acciones de la Sociedad Dominante a la fecha.

El Grupo no pretende usar el EPRA NAV Ajustado, tal y como se ha definido, de manera continuada en el futuro sino en este ejercicio 2017 para dar cabida a los ajustes mencionados que se entienden como hechos aislados y específicos en el devenir del Grupo.

El EPRA NAV es un indicador ampliamente usado en el sector en el que opera el Grupo que otorga una medida de los fondos propios.

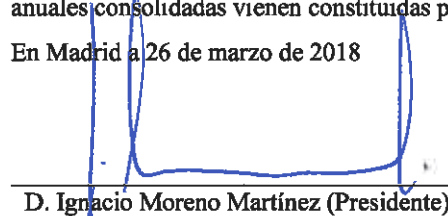
La reconciliación y cálculo de estos indicadores se detalla a continuación:

	Miles de Euros	
	2017	2016
Patrimonio neto atribuible a la Sociedad Dominante	1.393.752	674.385
(+) Plusvalías implícitas en proyectos concesionales (Nota 6)	8.361	3.444
(+) Valor razonable de los derivados financieros (Nota 14)	120	940
(+) Pasivos por impuesto diferido	105.953	60.649
(-) Activos por impuesto diferido	(11.083)	(296)
EPRA NAV	1.497.103	739.122
(-) Pago IVA cancelación contrato prestación de servicios (Nota 26)	(18.840)	
(+) Compromiso con Acciona (Nota 15)	355.565	-
EPRA NAV Ajustado	1.833.828	739.122
Número de acciones ajustadas	13.227.020.257	4.676.593.732
EPRA NAV Ajustado por acción	0,1386	0,15840

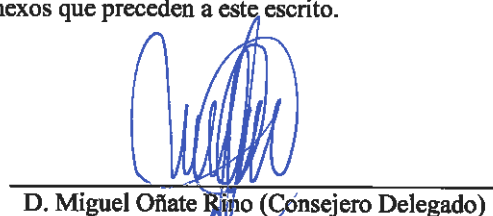
TESTA RESIDENCIAL, SOCIMI, S.A. y Sociedades Dependientes
Formulación de Cuentas Anuales e Informe de Gestión del ejercicio 2017

Reunidos los Administradores de la Sociedad TESTA RESIDENCIAL, SOCIMI, S.A. con fecha de 26 de marzo de 2018 y en cumplimiento de los requisitos establecidos en el artículo 253.2 del Texto Refundido de la Ley de Sociedades de Capital y en el artículo 37 del Código de Comercio, proceden a formular las cuentas anuales consolidadas y el informe de gestión consolidado del ejercicio terminado el 31 de diciembre de 2017. Las cuentas anuales consolidadas vienen constituidas por los documentos anexos que preceden a este escrito.

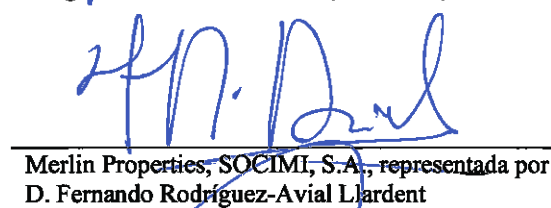
En Madrid a 26 de marzo de 2018



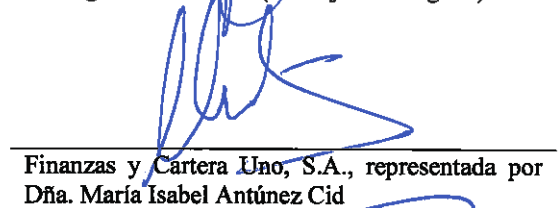
D. Ignacio Moreno Martínez (Presidente)



D. Miguel Oñate Rino (Consejero Delegado)



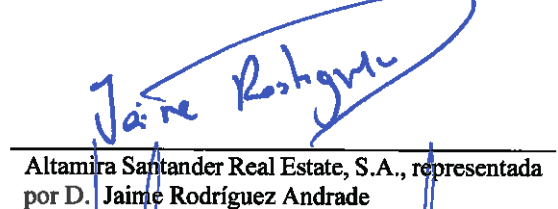
Merlin Properties, SOCIMI, S.A., representada por
D. Fernando Rodríguez-Avial Llardent



Finanzas y Cartera Uno, S.A., representada por
Dña. María Isabel Antúnez Cid



D. Carlos Manzano Cuesta



Altamira Santander Real Estate, S.A., representada
por D. Jaime Rodríguez Andrade




D. Cesáreo Rey-Baltar Oramas



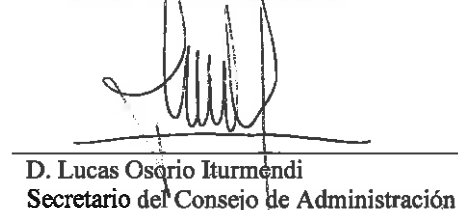
D. José María Xercavins Lluch



D. Antonio Hernández Mancha



D. Javier Alarcó Canosa



D. Lucas Osorio Iturmendi
Secretario del Consejo de Administración

**Testa Residencial
SOCIMI, S.A. y
Sociedades
Dependientes**

Estados Financieros Consolidados
Resumidos Intermedios e
Informe de Gestión intermedio
correspondientes al período terminado
el 31 de marzo de 2018, junto con el
Informe de Revisión Limitada

INFORME DE REVISIÓN LIMITADA SOBRE ESTADOS FINANCIEROS INTERMEDIOS RESUMIDOS CONSOLIDADOS

A los Accionistas de
Testa Residencial SOCIMI, S.A. por encargo del Consejo de Administración:

Informe sobre los estados financieros intermedios resumidos consolidados

Introducción

Hemos realizado una revisión limitada de los estados financieros intermedios resumidos consolidados adjuntos (en adelante los estados financieros intermedios) de Testa Residencial SOCIMI, S.A. (en adelante "la Sociedad Dominante") y sociedades dependientes (en adelante "el Grupo"), que comprenden el estado de situación financiera al 31 de marzo de 2018, la cuenta de resultados, el estado de resultado global, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y las notas explicativas, todos ellos resumidos y consolidados, correspondientes al periodo de tres meses terminado en dicha fecha. Los Administradores de la Sociedad Dominante son responsables de la elaboración de dichos estados financieros intermedios de acuerdo con los requerimientos establecidos en la Norma Internacional de Contabilidad (NIC) 34, Información Financiera Intermedia, adoptada por la Unión Europea, para la preparación de información financiera intermedia resumida. Nuestra responsabilidad es expresar una conclusión sobre estos estados financieros intermedios basada en nuestra revisión limitada.

Alcance de la revisión

Hemos realizado nuestra revisión limitada de acuerdo con la Norma Internacional de Trabajos de Revisión 2410, "Revisión de Información Financiera Intermedia realizada por el Auditor Independiente de la Entidad". Una revisión limitada de estados financieros intermedios consiste en la realización de preguntas, principalmente al personal responsable de los asuntos financieros y contables, y en la aplicación de procedimientos analíticos y otros procedimientos de revisión. Una revisión limitada tiene un alcance sustancialmente menor que el de una auditoría realizada de acuerdo con la normativa reguladora de la auditoría de cuentas vigente en España y, por consiguiente, no nos permite asegurar que hayan llegado a nuestro conocimiento todos los asuntos importantes que pudieran haberse identificado en una auditoría. Por tanto, no expresamos una opinión de auditoría de cuentas sobre los estados financieros intermedios resumidos consolidados adjuntos.

Conclusión

Como resultado de nuestra revisión limitada, que en ningún momento puede ser entendida como una auditoría de cuentas, no ha llegado a nuestro conocimiento ningún asunto que nos haga concluir que los estados financieros intermedios resumidos consolidados adjuntos del periodo de tres meses terminado el 31 de marzo de 2018 no han sido preparados, en todos sus aspectos significativos, de acuerdo con los requerimientos establecidos en la Norma Internacional de Contabilidad (NIC) 34, Información Financiera Intermedia, adoptada por la Unión Europea, para la preparación de estados financieros intermedios resumidos.

Párrafo de énfasis

Llamamos la atención sobre la Nota 2.1 de las notas explicativas adjuntas, en la que se menciona que los citados estados financieros intermedios resumidos consolidados adjuntos no incluyen toda la información que requerirían unos estados financieros consolidados completos preparados de acuerdo con las Normas Internacionales de Información Financiera, adoptadas por la Unión Europea, por lo que los estados financieros intermedios resumidos consolidados adjuntos deberán ser leídos junto con las cuentas anuales consolidadas del Grupo correspondientes al ejercicio terminado el 31 de diciembre de 2017. Esta cuestión no modifica nuestra conclusión.

DELOITTE, S.L.
Inscrita en el R.O.A.C nº S0692



Antonio Sánchez-Covisa Martín-González
26 de abril de 2018

TESTA RESIDENCIAL, SOCIMI, S.A. y Sociedades Dependientes

Estados Financieros Intermedios Resumidos
Consolidados correspondientes al periodo
de tres meses terminado el 31 de marzo de 2018
elaborados conforme a las Normas Internacionales
de Información Financiera (NIIF) adoptadas por la
Unión Europea

W7

**TESTA RESIDENCIAL, SOCIMI, S.A.
Y SOCIEDADES DEPENDIENTES**

ESTADO DE SITUACIÓN FINANCIERA RESUMIDO CONSOLIDADO AL 31 DE MARZO DE 2018
(Miles de euros)

ACTIVO	Notas	31/03/2018	31/12/2017	PATRIMONIO NETO Y PASIVO	Notas	31/03/2018	31/12/2017
ACTIVO NO CORRIENTE:				PATRIMONIO NETO:			
Proyectos concesionales	Nota 4	185.588	156.343	Capital suscrito	Nota 6	132.270	125.863
Otros activos intangibles		225	99	Prima de emisión		1.416.193	1.332.879
Inmoviliza de material		264	70	Reservas	Nota 6.2	(133.239)	(133.046)
Inversiones inmobiliarias	Nota 6	2.107.230	2.106.079	Resultado negativo de ejercicios anteriores		76.146	-
Derechos de cobro, Acuerdo de concesión		3.894	3.812	Resultado del ejercicio atribuible a la Sociedad Dominante		(1.754)	(1.754)
Otros activos financieros		4.224	4.738	Ajustes por cambios de valor		(104.261)	70.146
Activos por impuesto diferido		5.470	5.074	Patrimonio neto atribuible a la Sociedad Dominante		(306)	(336)
Total activo no corriente		11.984	11.983	Socios Externos		1.379.049	1.393.752
				Total patrimonio neto		774	772
						1.379.823	1.394.524
ACTIVO CORRIENTE:				PASIVO NO CORRIENTE:			
Deudores comerciales y otras cuentas por cobrar		2.690	1.432	Provisiones	Nota 8	320	320
Otros activos financieros corrientes		-	3	Pasivos financieros no corrientes -		841.655	841.232
Periodificaciones		311	-	Deudas a largo plazo con entidades de crédito	Nota 7	470.067	470.545
Efectivo y otros activos líquidos equivalentes		87.990	71.158	Derivados	Nota 7	102	120
Total activo corriente	Nota 12	60.991	72.593	Otros pasivos no corrientes	Nota 8	371.486	370.567
				Pasivos por impuesto diferido		105.953	105.953
				Total pasivo no corriente		947.928	947.506
TOTAL ACTIVO		2.345.066	2.355.073	PASIVO CORRIENTE:			
				Provisiones	Nota 8	-	1.019
				Pasivos financieros corrientes -		2.613	2.539
				Deudas a corto plazo con entidades de crédito	Nota 7	2.613	2.539
				Deudas con empresas vinculadas a corto plazo	Nota 11.2	6.400	5.400
				Acreedores comerciales y otras cuentas a pagar -	Nota 9	6.780	5.982
				Proveedores		651	3.168
				Pasivos por impuesto corriente		648	523
				Otras deudas con las Administraciones Públicas		584	243
				Otros acreedores		4.897	1.158
				Periodificaciones a corto plazo		2.522	-
				Total pasivo corriente		17.318	14.950
				TOTAL PATRIMONIO NETO Y PASIVO		2.345.066	2.355.073

Las Notas 1 a 13 descritas en las notas explicativas adjuntas y el Anexo I forman parte integrante del estado de situación financiera resumido consolidado al 31 de marzo de 2018.

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**CUENTA DE RESULTADOS RESUMIDA CONSOLIDADA CORRESPONDIENTE AL
PERIODO DE TRES MESES TERMINADO EL 31 DE MARZO 2018**
(Miles de euros)

	Notas	31/03/2018	31/03/2017
OPERACIONES CONTINUADAS:			
Importe neto de la cifra de negocios	Nota 10.1	17.902	8.794
Otros ingresos de explotación		14	10
Gastos de personal	Nota 10.2	(1.341)	(729)
Otros gastos de explotación	Nota 10.3	(117.071)	(5.383)
Dotación a la amortización	Nota 4	(807)	(682)
Excesos de provisiones		3	-
Resultado por enajenación de inmovilizado		-	233
RESULTADO DE EXPLOTACIÓN		(101.300)	2.243
Gastos financieros		(2.078)	(1.506)
Variación de valor razonable en instrumentos financieros	Nota 8	(756)	86
RESULTADO ANTES DE IMPUESTOS		(104.134)	823
Impuesto sobre Sociedades		(125)	(162)
RESULTADO DEL EJERCICIO PROCEDENTE DE OPERACIONES CONTINUADAS		(104.259)	661
Atribuible a accionistas de la Sociedad Dominante		(104.261)	661
Atribuible a socios externos		2	-
RESULTADO BÁSICO POR ACCIÓN (en euros):	Nota 6.4	-0,8256	0,0081
RESULTADO POR ACCIÓN DILUIDAS (en euros):		-0,8256	0,0081

Las Notas 1 a 13 descritas en las notas explicativas adjuntas y el Anexo I, forman parte integrante de la cuenta de resultados resumida consolidada correspondiente al periodo de tres meses terminado el 31 de marzo de 2018.

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**ESTADO DEL RESULTADO GLOBAL RESUMIDO CONSOLIDADO CORRESPONDIENTE AL PERIODO
DE TRES MESES TERMINADO EL 31 DE MARZO DE 2018**
(Miles de euros)

	31/03/2018	31/03/2017
RESULTADO DE LA CUENTA DE RESULTADOS (I)	(104.259)	661
OTRO RESULTADO GLOBAL:		
Ingresos y gastos imputados directamente en el patrimonio neto-		
Por cobertura de flujos de efectivo	(396)	30
TOTAL RESULTADO GLOBAL IMPUTADO DIRECTAMENTE EN EL PATRIMONIO NETO (II)	(396)	30
Transferencias a la cuenta de resultados		
Por cobertura de flujos de efectivo	426	(86)
TOTAL TRANSFERENCIAS A LA CUENTA DE RESULTADOS (III)	426	(86)
RESULTADO GLOBAL TOTAL (I+II+III)	(104.229)	605
Atribuible a accionistas de la Sociedad Dominante	(104.231)	605
Atribuible a socios externos	2	-

Las Notas 1 a 13 descritas en las Notas explicativas y el Anexo I, forman parte integrante del estado del resultado global resumido consolidado correspondiente al período de tres meses terminado el 31 de marzo de 2018

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**ESTADO DE CAMBIOS EN EL PATRIMONIO NETO RESUMIDO CONSOLIDADO CORRESPONDIENTE AL
PERIODO DE TRES MESES TERMINADO EL 31 DE MARZO DE 2018**
(Miles de euros)

	Capital social	Prima de emisión	Reservas	Remanente	Resultado de ejercicios anteriores	Resultado del ejercicio	Ajustes por cambios de valor	Patrimonio atribuido a la Sociedad Dominante	Socios externos	Total patrimonio neto
Saldo al 31 de diciembre de 2016	46.766	411.032	192.295	-	-	24.781	(489)	674.385	-	674.385
Resultado Global Consolidado	-	-	-	-	-	661	(56)	605	-	605
Ampliaciones de capital	52.218	607.505	(1.147)	-	-	-	-	663.005	-	663.005
Distribución del resultado del ejercicio 2018	-	-	-	26.535	(1.754)	(24.781)	-	-	-	-
Saldo al 31 de marzo de 2017	98.984	1.018.537	191.148	26.535	(1.754)	661	(545)	1.337.995	-	1.337.995
Saldo al 31 de diciembre de 2017	125.863	1.332.879	(133.046)	-	(1.754)	70.146	(336)	1.393.752	772	1.394.524
Resultado Global Consolidado	-	-	-	-	-	(104.261)	30	(104.231)	2	(104.229)
Ampliaciones de capital (Nota 5)	6.407	83.314	(193)	-	-	-	-	89.528	-	89.528
Traspaso entre partidas de patrimonio neto	-	-	-	70.146	-	(70.146)	-	-	-	-
Saldo al 31 de marzo de 2018	132.270	1.416.193	(133.239)	70.146	(1.754)	(104.261)	(306)	1.379.049	774	1.379.823

Las Notas 1 a 13 descritas en las notas explicativas adjuntas y el Anexo I, forman parte integrante del estado de cambios en el patrimonio neto resumido consolidado al 31 de marzo de 2018

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**ESTADO DE FLUJOS DE EFECTIVO RESUMIDO CONSOLIDADO CORRESPONDIENTE AL
PERIODO DE TRES MESES TERMINADO EL 31 DE MARZO DE 2018**
(Miles de euros)

	Notas	31/03/2018	31/03/2017
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE EXPLOTACIÓN:			
(Pérdidas)/ Beneficio del ejercicio antes de impuestos		(11.858)	6.492
Ajustes al resultado-		(104.134)	661
Amortización del inmovilizado	Nota 4	117.638	1.869
Correcciones valorativas por deterioro		807	682
Resultados por bajas y enajenaciones de inmovilizado		11	-
Ingresos financieros		(232)	(233)
Gastos financieros		2.310	1.506
Variación de valor razonable de instrumentos financieros		756	(86)
Otros ingresos y gastos		113.986	-
Cambios en el capital corriente-		(5.727)	5.238
Deudores y otras cuentas a cobrar		(1.269)	(194)
Acreedores y otras cuentas a pagar		(2.937)	(94)
Otros activos y pasivos		(1.521)	5.526
Otros flujos de efectivo de las actividades de explotación-		(19.635)	(1.276)
Pagos de intereses		(2.344)	(1.236)
Cobros por intereses		232	-
Pagos por impuesto sobre Beneficios		-	(40)
Otros cobros (pagos)	Nota 6	(17.523)	-
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE INVERSIÓN:		(1.000)	3.056
Pagos por inversiones-		(1.909)	(1.854)
Inversiones inmobiliarias	Nota 5	(1.151)	(1.379)
Inmovilizaciones materiales		(184)	(83)
Activos intangibles		(178)	(392)
Activos financieros		(396)	-
Cobros por desinversiones-		909	4.910
Inversiones inmobiliarias		-	4.315
Activos financieros		909	595
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE FINANCIACIÓN:		(310)	(7.702)
Cobros y pagos por instrumentos de pasivo financiero-		(310)	(7.702)
Devolución de deudas con entidades de crédito		(310)	(7.674)
Devolución de otras deudas		-	(28)
AUMENTO/DISMINUCIÓN NETA DEL EFECTIVO O EQUIVALENTES		(13.168)	1.846
Efectivo o equivalentes al comienzo del ejercicio		71.158	28.801
Efectivo o equivalentes al final del periodo		57.990	30.647

Las Notas 1 a 13 descritas en las notas explicativas adjuntas y el Anexo I, forman parte integrante del estado de flujos de efectivo resumido consolidado correspondiente al periodo de tres meses terminado el 31 de marzo de 2018.

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TESTA RESIDENCIAL, SOCIMI, S.A. y Sociedades Dependientes

**Notas explicativas a los Estados
Financieros Intermedios Resumidos
Consolidados correspondientes al periodo
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2018**

1. Naturaleza y actividad del Grupo

Testa Residencial, SOCIMI, S.A. (en adelante, la Sociedad Dominante), se constituyó como Sociedad Anónima y bajo la denominación social Vallehermoso Patrimonio, S.A., en Madrid, el 4 de enero de 2001, ante el Notario D. José Aristónico García Sánchez, por un período de tiempo indefinido.

Con fecha 24 de junio de 2005 cambió su denominación social de Vallehermoso Patrimonio, S.A. a Testa Residencial, S.L.U.

Con fecha 7 de abril de 2006 el Socio Único de Testa Residencial, S.L.U., Testa Inmuebles en Renta, S.A., formalizó mediante escritura pública ante el Notario de Madrid D. José Aristónico García Sánchez, y con número de su protocolo 836/2006, la aportación por parte del Socio Único de la rama de actividad de arrendamiento de viviendas situadas en territorio español, conforme a la decisión del Consejo de Administración de Testa Inmuebles en Renta, S.A. de fecha 20 de diciembre de 2005.

Con fecha 8 de junio de 2015, Merlin Properties, SOCIMI, S.A. y el Socio Único de Testa Residencial, S.L.U. (Testa Inmuebles en Renta SOCIMI, S.A.) formalizaron un acuerdo vinculante para la adquisición por parte de Merlin Properties, SOCIMI, S.A. de una participación mayoritaria (99,9%) en el capital social de Testa Inmuebles en Renta SOCIMI, S.A. A lo largo del ejercicio 2016, Merlin Properties, SOCIMI, S.A. se convirtió en la sociedad dominante del Grupo Testa Inmuebles en Renta SOCIMI, S.A. y sus sociedades dependientes, en el cual se integraba Testa Residencial, S.L.U.

Con fecha 15 de septiembre de 2016, tuvo lugar la integración entre el negocio residencial de Merlin Properties, SOCIMI, S.A. (Testa Residencial, S.L.U.) y el negocio residencial de Metrovacesa, S.A., por el que este último adquirió el control sobre Testa Residencial, S.L.U., si bien fue esta última entidad jurídica la que subsistió mercantilmente.

El 22 de septiembre de 2016 la Junta General de Accionistas solicitó la incorporación de la Sociedad Dominante al Régimen Fiscal SOCIMI, de aplicación a partir del 1 de enero de 2016 modificando su denominación social de Testa Residencial, S.A.U. a Testa Residencial, SOCIMI, S.A. La Sociedad Dominante con C.I.F. A82865890 se encuentra legalmente inscrita en el Registro Mercantil de Madrid.

La Sociedad Dominante desde el 23 de febrero de 2017 tiene su domicilio social en Paseo de la Castellana, 257 en Madrid, anteriormente su domicilio social se encontraba en la calle Ventura Rodríguez, 7, Madrid.

El objeto social de la Sociedad Dominante consiste en el arrendamiento de viviendas situadas en territorio español que hayan sido construidas, promovidas o adquiridas.

Testa Residencial, SOCIMI, S.A. y Sociedades Dependientes (en adelante "el Grupo"), tienen como actividad principal la adquisición y gestión (mediante arrendamiento a terceros) de viviendas, pudiendo invertir en menor medida en otros activos en renta.

El régimen fiscal de la Sociedad Dominante se encuentra regulado 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 (SOCIMI). El artículo 3 establece los requisitos de inversión de este tipo de Sociedades, a saber:

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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 importe 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 procedentes 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 la mencionada 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 entidades a que se refiere el apartado 1 del artículo 2 de la citada Ley.

3. Los bienes inmuebles que integren el activo de la SOCIMI 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 SOCIMI 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 la Ley, siempre que a dicha fecha el bien se encontrara arrendado u ofrecido en arrendamiento. De lo contrario, se estará sujeto 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 la mencionada Ley, deberán mantenerse en el activo de la SOCIMI 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 la citada 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 supondría que la Sociedad Dominante pasara a tributar por el régimen general del Impuesto sobre Sociedades a partir del propio período impositivo en que se manifieste dicho incumplimiento, salvo que se subsane en el ejercicio siguiente. Además, la Sociedad Dominante estará obligada a ingresar, junto con la cuota de dicho período 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 períodos impositivos anteriores, sin perjuicio de los intereses de demora, recargos y sanciones que, en su caso, resulten procedentes.

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

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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 los estados financieros intermedios resumidos consolidados y principios de consolidación

2.1 Marco normativo

El marco normativo de información financiera que resulta de aplicación al Grupo es el establecido en:

- Código de Comercio y la restante legislación mercantil,
- Normas Internacionales de Información Financiera (NIIF) adoptadas por la Unión Europea conforme a lo dispuesto por el Reglamento (CE) nº 1606/2002 del Parlamento Europeo y por la Ley 62/2003, de 30 de diciembre, de medidas fiscales, administrativas y de orden social.
- Ley 11/2009, de 26 de octubre, modificada por la Ley 16/2012, de 27 de diciembre, por el que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI) y la restante legislación mercantil.
- El resto de la normativa contable española que resulte de aplicación.

Las cuentas anuales consolidadas del ejercicio 2017 fueron preparadas de acuerdo con el marco normativo de información financiera detallado en el párrafo anterior, de forma que muestran la imagen fiel del patrimonio consolidado y de la situación financiera consolidada del Grupo al 31 de diciembre de 2017 y de los resultados consolidados de sus operaciones, de los cambios en el patrimonio neto consolidado y de los flujos de efectivo consolidados que se han producido en el Grupo durante el ejercicio terminado el 31 de diciembre de 2017.

Las cuentas anuales individuales y consolidadas de Testa Residencial, SOCIMI, S.A. del ejercicio 2017, formuladas por sus Administradores, se aprobaron por la Junta General de Accionistas celebrada el 26 de abril de 2018.

Las cuentas anuales individuales del resto de las sociedades que componen el Grupo, del ejercicio 2017, formuladas por sus Administradores correspondientes, se encuentra pendientes de aprobación por las juntas generales de los socios o accionistas correspondientes.

Los presentes estados financieros intermedios resumidos consolidados se presentan de acuerdo con la Norma Internacional de Contabilidad (NIC) 34, Información Financiera Intermedia, y han sido formulados por los Administradores de la Sociedad Dominante el 26 de abril de 2018, todo ello conforme a lo previsto en el artículo 12 del Real Decreto 1362/2007.

De acuerdo con lo establecido por la NIC 34, la información financiera intermedia se prepara únicamente con la intención de actualizar el contenido de las últimas cuentas anuales consolidadas formuladas por el Grupo, poniendo énfasis en las nuevas actividades, sucesos y circunstancias ocurridos durante el período y no duplicando la información publicada previamente en las cuentas anuales consolidadas. Por lo tanto los estados financieros intermedios resumidos consolidados al 31 de marzo de 2018 no incluyen toda la información que requerirían unos estados financieros consolidados completos preparados de acuerdo con las Normas Internacionales de Información Financiera, adoptadas por la Unión Europea, por lo que los estados financieros intermedios resumidos consolidados adjuntos deberán ser leídos junto con las cuentas anuales consolidadas del Grupo correspondientes al ejercicio terminado el 31 de diciembre de 2017.

Los resultados consolidados y la determinación del patrimonio consolidado son sensibles a los principios y políticas contables, criterios de valoración y estimaciones seguidos por los Administradores de la Sociedad Dominante en la elaboración de los estados financieros consolidados resumidos. En este sentido, los principales principios y políticas contables y criterios de valoración utilizados se corresponden con los aplicados en las cuentas anuales consolidadas del ejercicio 2017, excepto por las normas e interpretaciones que entraron en vigor durante el primer trimestre de 2018.

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2.2 Bases de presentación de los estados financieros Intermedios resumidos consolidados

Los estados financieros intermedios resumidos consolidados del periodo de tres meses terminado el 31 de marzo de 2018 se han obtenido a partir de los registros contables de la Sociedad Dominante y de las sociedades incluidas en el perímetro de consolidación y han sido preparadas de acuerdo con el marco normativo de información financiera detallado en la Nota 2.1 anterior, de forma que muestran la imagen fiel del patrimonio consolidado y de la situación financiera consolidada del Grupo al 31 de marzo de 2018 y de los resultados consolidados de sus operaciones, de los cambios en el patrimonio neto consolidado y de los flujos de efectivo consolidados que se han producido en el Grupo durante el periodo de tres meses terminado el 31 de marzo de 2018.

Con el objeto de presentar de una forma homogénea las distintas partidas que componen los estados financieros intermedios resumidos consolidados, se han aplicado a todas las sociedades incluidas en el perímetro de consolidación los principios y normas de valoración seguidos por la Sociedad Dominante.

Estos estados financieros intermedios resumidos consolidados al 31 de marzo de 2018 han sido sometidos a revisión de los auditores. Las cifras correspondientes al 31 de marzo de 2017 y 31 de diciembre de 2017 se presentan solo a efectos comparativos.

2.2.1 Adopción de las Normas Internacionales de Información Financiera efectivas a partir del 1 de enero de 2018

Durante el primer trimestre de 2018 han entrado en vigor las siguientes normas, modificaciones de normas e interpretaciones, que, en caso de resultar de aplicación, han sido utilizadas por el Grupo en la elaboración de los estados financieros intermedios resumidos consolidados:

Normas, Modificaciones e Interpretaciones	Descripción	Aplicación obligatoria ejercicios iniciados a partir de:
NIIF 15 Ingresos procedentes de contratos con clientes (publicada en mayo de 2014).	Nueva norma de reconocimiento de ingresos. Sustituye a la NIC 11, NIC 18, CINIIF 13, CINIIF 15, CINIIF 18 y SIC-31. El nuevo modelo de NIIF 15 es mucho más restrictivo y basado en reglas, además de tener un enfoque contractual muy distinto, por lo que la aplicación de los nuevos requisitos puede dar lugar a cambios en el perfil de ingresos.	1 de enero de 2018
NIIF 9 Instrumentos financieros (publicada en julio de 2014)	Esta nueva norma sustituirá a la NIC 39 actual. El cambio conceptual es importante en todos los apartados. Cambia el modelo de clasificación y valoración de activos financieros cuyo eje central será el modelo de negocio. El enfoque del modelo de contabilidad de coberturas trata de alinearse más con la gestión económica del riesgo y exigir menos reglas. Y por último, el modelo de deterioro pasa de las pérdidas incurridas actuales a un modelo de pérdidas esperadas.	1 de enero de 2018
Clarificaciones a NIIF 15 (publicada en abril de 2016)	Giran en torno a la identificación de las obligaciones de desempeño, de principal versus agente, de la concesión de licencias y su devengo en un punto del tiempo o a lo largo del tiempo, así como algunas aclaraciones a las reglas de transición.	1 de enero de 2018
Modificación a la NIIF 2 Clasificación y valoración de pagos basado en acciones (publicada en junio de 2016)	Son modificaciones limitadas que aclaran cuestiones concretas como los efectos de las condiciones de devengo en pagos basados en acciones a liquidar en efectivo, la clasificación de pagos basados en acciones cuando tiene cláusulas de liquidación por el neto y algunos aspectos de las modificaciones del tipo de pago basado en acciones.	1 de enero de 2018
Modificación a la NIC 40 reclasificación de inversiones inmobiliarias (publicada en diciembre de 2016)	La modificación clarifica que una reclasificación de una inversión desde o hacia inversión inmobiliaria sólo está permitida cuando existe evidencia de un cambio de uso.	1 de enero de 2018
Mejoras a las NIIF Ciclo 2014-2016 (publicada en diciembre de 2016)	Modificaciones menores de una serie de normas (distintas fechas efectivas)	1 de enero de 2018

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Normas, Modificaciones e Interpretaciones	Descripción	Aplicación obligatoria ejercicios iniciados a partir de:
CINIIF 22 Transacciones y anticipos en moneda extranjera (publicada en diciembre de 2016)	Esta interpretación establece "la fecha de transacción", a efectos de determinar el tipo de cambio aplicable en transacciones con anticipos en moneda extranjera.	1 de enero de 2018

En relación con la NIIF 15, no ha tenido un impacto significativo en la medida en que esta norma excluye de su alcance los contratos de arrendamiento, los cuales siguen regulados por la norma contable (NIC 17/IFRS 16). Dada la naturaleza SOCIMI y las obligaciones que se derivan de dicho régimen, el Grupo no dispone de otros ingresos significativos distintos de los ingresos por arrendamiento.

En cuanto a la NIIF 9, no ha tenido un impacto significativo en la medida que no se han producido refinanciaciones, los instrumentos derivados contratados por el Grupo mantienen con la nueva norma los mismos criterios de registro y valoración que con la antigua NIC 39 y que el saldo de cuentas por cobrar tampoco es significativo, teniendo en cuenta que el riesgo de fallido es inferior al 1% de la facturación.

El resto de normas y modificaciones no han tenido un impacto significativo.

No existe ningún principio contable o criterio de valoración que, teniendo un efecto significativo en los estados financieros resumidos consolidados, haya dejado de aplicarse.

2.2.2 Normas no vigentes en el ejercicio 2018

Las siguientes normas no estaban en vigor en el primer trimestre de 2018, bien porque su fecha de efectividad es posterior a la fecha de los estados financieros intermedios consolidados, o bien porque no han sido aún adoptadas por la Unión Europea:

Normas, Modificaciones e Interpretaciones	Descripción	Aplicación obligatoria ejercicios iniciados a partir de:
NIIF 16 Arrendamientos (publicada en enero de 2016)	Nueva norma de arrendamientos que sustituye a la NIC 17. Propone un modelo contable único para los arrendatarios, que incluirán en el balance todos los arrendamientos (con algunas excepciones limitadas) con un impacto similar a los actuales arrendamientos financieros.	1 de enero de 2019
NIIF 17 Contratos de seguros (publicada en mayo de 2017)	Reemplaza a la NIIF 4 recoge los principios de registro, valoración, presentación y desglose de los contratos de seguro con el objetivo de que la entidad proporcione información relevante y fiable que permita a los usuarios de la información determinar el efecto que los contratos tiene en los estados financieros.	1 de enero de 2021 (1)
CINIIF 23 Incertidumbre sobre tratamientos fiscales (publicada en junio de 2017)	Esta interpretación clarifica cómo aplicar los criterios de registro y valoración de la NIC 12 cuando existe incertidumbre acerca de la aceptabilidad por parte de la autoridad fiscal de un determinado tratamiento fiscal utilizado por la entidad	1 de enero de 2019 (1)
Modificación a la NIIF 9 Características de cancelación anticipada con compensación negativa (publicada en octubre 2017)	Se permite la valoración a coste amortizado de algunos instrumentos financieros con características de pago anticipado permitiendo el pago de una cantidad menor que las cantidades no pagadas de capital e intereses.	1 de enero de 2019 (1)
Modificación a la NIC 28 Interés a largo plazo en asociadas y negocios conjuntos (publicada en octubre 2017)	Clarifica que se debe aplicar NIIF 9 a los intereses a largo plazo en una asociada o negocio conjunto si no se aplica el método de puesta en equivalencia.	1 de enero de 2019 (1)
Mejoras a las NIIF Ciclo 2015-2017 (publicada en diciembre de 2017)	Modificaciones menores de una serie de normas	1 de enero de 2019 (1)
Modificación de la NIC 19 Modificación,	De acuerdo con las modificaciones propuestas, cuando se	1 de enero de 2019 (1)

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Normas, Modificaciones e Interpretaciones	Descripción	Aplicación obligatoria ejercicios iniciados a partir de:
reducción o liquidación de un plan (publicada en febrero de 2018)	produce un cambio en un plan de prestación definida (por una modificación, reducción o liquidación), la entidad utilizará hipótesis actualizadas en la determinación del coste de los servicios y los intereses netos para el periodo después del cambio del plan.	
Modificación NIIF 10 y NIC 28 Venta o aportación de activos entre un inversor y su asociada/negocio conjunto	Clarificación muy relevante en relación al resultado de estas operaciones, porque actualmente había una discrepancia entre estas normas. Cuando se trate de un negocio, habrá un resultado total, si el objeto de la transacción son activos, el resultado será parcial.	Diferida indefinidamente su adopción en UE y su aplicación según el IASB

(1) Pendiente de adoptar por la Unión Europea.

A la fecha actual, el Grupo está evaluando los impactos que la aplicación futura de las normas con fecha de aplicación obligatoria a partir de 1 de enero de 2019 podría tener en los estados financieros consolidados una vez entren en vigor, no siendo posible realizar una estimación razonable de sus efectos hasta que dicho análisis esté completo. En el caso de la NIIF 16 (Arrendamientos), esta norma sustituirá a la NIC 17 actual y será de aplicación a partir del 1 de enero de 2019, una de las novedades radica en un modelo contable único para los arrendatarios, que incluirán en el balance todos los arrendamientos (con alguna excepción limitada) como si fueran compras financiadas, esto es con un impacto similar al de los actuales arrendamientos financieros. Por el contrario, en el caso de los arrendadores, se continuará con un modelo dual, similar al que actualmente está vigente con la NIC 17, por este motivo el Grupo estima que el impacto de la adopción de esta norma no será significativo.

La otra principal novedad radica en la modificación de la NIC 40 como consecuencia de la entrada en vigor de la IFRS 16, que implica que los derechos de uso que el Grupo explota en régimen de arrendamiento se clasificarán y valorarán como el resto de inversiones inmobiliarias. El impacto de esta modificación, implicará la clasificación de los proyectos concesionales dentro del epígrafe de las inversiones inmobiliarias, siendo el incremento de valor aproximadamente de 9 millones de euros.

2.3 Moneda funcional

El euro es la moneda en la que se presentan los estados financieros intermedios resumidos consolidados, por ser ésta la moneda funcional en el entorno en el que opera el Grupo.

2.4 Comparación de la información

Conforme a lo exigido en las normas internacionales de información financiera adoptadas por la Unión Europea, la información contenida en estos estados financieros intermedios resumidos consolidados correspondientes al 31 de marzo de 2017 se presenta a efectos comparativos con la información relativa al periodo de tres meses terminado el 31 de marzo de 2018 para la cuenta de resultados resumida consolidada, estado del resultado global resumido consolidado, estado de cambios en el patrimonio neto resumido consolidado, estado de flujos de efectivo consolidado y al ejercicio terminado el 31 de diciembre de 2017 para el estado de situación financiera resumido consolidado.

2.5 Responsabilidad de la información y estimaciones realizadas

La información contenida en estos estados financieros intermedios resumidos consolidados es responsabilidad de los Administradores de la Sociedad Dominante.

En los estados financieros intermedios resumidos consolidados del Grupo correspondientes al periodo de tres meses terminado el 31 de marzo de 2018 se han utilizado ocasionalmente estimaciones realizadas por la Alta Dirección del Grupo y de las entidades consolidadas - ratificadas posteriormente por sus Administradores - para cuantificar algunos de los activos, pasivos, ingresos, gastos y compromisos que figuran registrados en ellas. Básicamente, estas estimaciones se refieren a:

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1. El valor de mercado de los activos netos adquiridos en las combinaciones de negocios.
2. El valor de mercado de los activos inmobiliarios del Grupo.
3. El valor razonable de determinados instrumentos financieros.
4. La evaluación de las provisiones y contingencias.
5. La gestión del riesgo financiero y en especial el riesgo de liquidez.
6. La recuperación de los activos por impuesto diferido y la tasa fiscal aplicable a las diferencias temporarias.
7. La definición de las transacciones realizadas por el Grupo como una combinación de negocios acorde a la NIIF 3 o como una adquisición de activos.
8. El cumplimiento de los requisitos que regulan a las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario.

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. Al 31 de marzo de 2018, la Sociedad Dominante no cumple el requisito asociado a la incorporación de sus acciones al mercado bursátil, cuya fecha límite es el 22 de septiembre de 2018. En este sentido, el Consejo de Administración aprobó en su sesión del 30 de noviembre de 2017, el inicio del proceso que permitirá incorporar las acciones de la Sociedad Dominante al mercado continuo en los próximos meses. Por este motivo, y considerando el apoyo de los Accionistas, los Administradores de la Sociedad Dominante estiman que el requisito de cotización junto con el resto de requisitos exigidos para poder aplicar el régimen fiscal especial, se cumplirán según los términos establecidos por la normativa vigente, y que la Sociedad Dominante permanecerá acogida al régimen SOCIMI.

Cambios de estimación:

A pesar de que estas estimaciones se han realizado en función de la mejor información disponible al 31 de marzo 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, conforme a lo establecido en la NIC 8, de forma prospectiva reconociendo los efectos del cambio de estimación en la correspondiente cuenta de resultados consolidada.

2.6 Activos y pasivos contingentes

Durante los tres primeros meses del ejercicio 2018 no se han producido cambios significativos en los principales activos y pasivos contingentes del Grupo.

2.7 Corrección de errores contables

En la elaboración de los estados financieros intermedios resumidos consolidados correspondientes al periodo de tres meses terminado el 31 de marzo de 2018, no se han detectado errores que hayan supuesto la reexpresión de los importes incluidos en las cuentas anuales consolidadas del 2017.

2.8 Estacionalidad de las transacciones del Grupo

Dadas las actividades a las que se dedican las sociedades del Grupo, las transacciones no cuentan con un marcado carácter cíclico o estacional. Por este motivo, no se incluyen desgloses específicos a este respecto en las presentes notas explicativas a los estados financieros intermedios resumidos consolidados correspondientes al periodo de tres meses terminado el 31 de marzo de 2018.

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2.9 Estado de flujos de efectivo resumido consolidado

En el estado de flujos de efectivo resumido consolidado, preparado de acuerdo al método indirecto, se utilizan las siguientes expresiones en los siguientes sentidos:

1. Flujos de efectivo: entradas y salidas de dinero en efectivo y de sus equivalentes, entendiendo por éstos las inversiones a corto plazo de gran liquidez y bajo riesgo de alteraciones en su valor.
2. Actividades de explotación: actividades típicas de las entidades que forman el Grupo consolidado, así como otras actividades que no pueden ser calificadas como de inversión o de financiación.
3. Actividades de inversión: las de adquisición, enajenación o disposición por otros medios de activos a largo plazo y otras inversiones no incluidas en el efectivo y sus equivalentes.
4. 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.

2.10 Importancia relativa

Al determinar la información a desglosar en las notas explicativas de los estados financieros intermedios resumidos consolidados u otros asuntos, el Grupo, de acuerdo con la NIC 34, ha tenido en cuenta la importancia relativa en relación con los estados financieros resumidos consolidados correspondientes al periodo de tres meses terminado el 31 de marzo de 2018.

2.11 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.

Los Administradores de la Sociedad Dominante consideran que el Grupo tiene como único negocio la prestación de servicios de arrendamiento de viviendas, situadas todas ellas en territorio español, por lo tanto, toda la actividad que presta el Grupo configura un único segmento operativo de negocio.

3. Cambios en el perímetro de consolidación y otras variaciones

Durante los tres primeros meses del ejercicio 2018 no se han producido variaciones relevantes en el perímetro de consolidación del Grupo.

En las cuentas anuales consolidadas del ejercicio 2017 se facilita información relevante sobre las sociedades del Grupo que fueron consolidadas a dicha fecha.

4. Proyectos concesionales, otros activos intangibles e inmovilizado material

El movimiento habido durante los 3 primeros meses del ejercicio 2018 en los epígrafes "Proyectos concesionales", "Otros activos intangibles" e "Inmovilizado material" se debe principalmente a la amortización del periodo cuyo importe asciende a 807 miles de euros y se encuentra registrado en el epígrafe "Dotación a la amortización" de la cuenta de resultados resumida consolidada adjunta.

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5. Inversiones inmobiliarias

La composición y el movimiento de este epígrafe durante el periodo de tres meses terminado al 31 de marzo de 2018 ha sido el siguiente:

Al 31 de marzo de 2018

	Miles de euros		
	31.12.2017	Adiciones	31.03.2018
Inmuebles para arrendamiento	2.106.079	1.151	2.107.230
Inversiones inmobiliarias	2.106.079	1.151	2.107.230

Al 31 de diciembre de 2017

	Miles de euros					31.12.2017
	31.12.2016	Combinación de negocios	Adiciones	Retiros	Variación de valor de las inversiones inmobiliarias	
Inmuebles para arrendamiento	912.304	413.601	719.050	(4.085)	65.209	2.106.079
Inversiones inmobiliarias	912.304	413.601	719.050	(4.085)	65.209	2.106.079

5. 1. Inmuebles para arrendamiento

El movimiento de los inmuebles para arrendamiento registrado en el periodo de tres meses terminado al 31 de marzo de 2018, tiene su origen en las inversiones en mejoras realizadas por la Sociedad Dominante y el resto de sociedades dependientes del Grupo por un importe de 1.151 miles de euros, de los cuales 23 miles de euros corresponden a mayor coste de la adquisición de los activos anteriormente mencionados.

Las inversiones inmobiliarias se presentan valoradas a valor razonable.

Es política del Grupo contratar todas las pólizas de seguros que se estimen necesarias para dar cobertura a los riesgos que pudieran afectar a las inversiones inmobiliarias. Al 31 de marzo de 2018, los Administradores de la Sociedad Dominante estiman que no existe déficit de cobertura alguno relacionado con dichos riesgos.

Con fecha 23 de marzo de 2018, el Grupo ha suscrito con un tercero un contrato de compraventa para la adquisición de 1.458 viviendas, por un importe de aproximadamente 228 millones de euros. De acuerdo con las condiciones del contrato, la efectividad del mismo está sujeto al cumplimiento de determinadas condiciones suspensivas, habituales en este tipo de transacciones, que se estima se cumplirán en los próximos meses. La financiación de esta adquisición se llevará a cabo a través de la obtención de préstamos hipotecarios, que serán suscritos en el momento de la materialización de la mencionada adquisición.

En el periodo de tres meses terminado el 31 de marzo de 2018 no se han capitalizado gastos financieros.

A 31 de marzo de 2018 el Grupo, tiene bajo garantía hipotecaria diversos inmuebles, en garantía de préstamos por importe de 101.131 miles de euros.

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Al 31 de marzo de 2018 el Grupo explotaba en este epígrafe 790.496 metros cuadrados de superficie bruta alquilable de viviendas y 41.605 metros cuadrados de superficie bruta comercial, con un grado de ocupación del 91%.

Medición del valor razonable y sensibilidad

Todas las propiedades de inversión alquiladas o que estén previstas alquilar en régimen de arrendamiento operativo se clasifican como inversiones inmobiliarias.

De acuerdo con la NIC 40, el Grupo determina periódicamente el valor razonable de los elementos de inversiones inmobiliarias de forma que, al cierre de cada semestre, el valor razonable refleje las condiciones de mercado de los elementos de propiedades de inversión a dicha fecha. Dicho valor razonable se determina semestralmente tomando como referencia las valoraciones realizadas por expertos independientes.

El Grupo no ha solicitado una actualización a valoradores externos de las tasaciones al 31 de marzo de 2018, al entender que no han tenido lugar cambios significativos en las hipótesis utilizadas en la determinación del valor razonable de las inversiones inmobiliarias, por lo que la última actualización de las inversiones inmobiliarias a valor razonable del Grupo se realizó el 31 de diciembre de 2017.

El valor de mercado de las inversiones inmobiliarias del Grupo al 31 de diciembre de 2017, calculado en función de valoraciones realizadas por Savills Consultores Inmobiliarios, S.A., valoradores independientes no vinculados al Grupo, ascendió a 2.106.079 miles de euros. La valoración fue realizada de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC), utilizando el método del descuento de flujos de caja aplicando dos supuestos diferentes que consisten en lo siguiente:

Supuesto de rentabilidad (utilizado para todos aquellos inmuebles sobre los que el Grupo dispone de la totalidad de las unidades): La metodología utilizada para calcular el valor de mercado de bienes de inversión, consiste en la preparación de 10 años de las proyecciones de los ingresos y los gastos de cada activo que luego se actualizará a la fecha del estado de situación financiera, mediante una tasa de descuento de mercado. La cantidad residual al final del año 10 se calcula aplicando una tasa de retorno ("Exit yield" o "Cap rate") de las proyecciones de los ingresos netos del año 11. Los valores de mercado así obtenidos son analizados mediante el cálculo y el análisis de la capitalización de rendimiento que está implícito en esos valores. Las proyecciones están destinadas a reflejar la mejor estimación sobre el futuro de ingresos y gastos de los activos inmobiliarios. Tanto la tasa de retorno y la tasa de descuento se definen de acuerdo al mercado nacional y las condiciones del mercado institucional. El porcentaje de las inversiones inmobiliarias valoradas bajo este supuesto al 31 de diciembre de 2017 ascendió al 51% del total.

Supuesto de liquidación (utilizado para todos aquellos inmuebles sobre los que el Grupo no dispone de la totalidad de las unidades): La metodología utilizada para calcular el valor de mercado de bienes de inversión asume la liquidación de viviendas una vez el contrato expira. Consiste en la preparación de las proyecciones de los ingresos y los gastos de cada activo que se actualizarán a la fecha del estado de situación financiera, mediante una tasa de descuento de mercado. Los precios de venta se obtienen al comparar la propiedad objeto de estudio con otras de similares características, recientemente vendidas o que se estén ofertando en el mercado, realizando los ajustes correspondientes en base a factores diferenciadores. Las proyecciones están destinadas a reflejar la mejor estimación sobre el futuro de ingresos y gastos de los activos inmobiliarios. La tasa de descuento se define de acuerdo al mercado nacional y las condiciones del mercado institucional. El porcentaje de las inversiones inmobiliarias valoradas bajo este supuesto al 31 de diciembre de 2017 ascendió al 49% del total.

En cualquier caso, considerando la situación del mercado patrimonial, podrían ponerse de manifiesto diferencias significativas entre el valor razonable de las inversiones inmobiliarias de Grupo y el valor de realización efectivo de las mismas.

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Desgloses sobre el valor razonable de las inversiones inmobiliarias

El detalle de los activos a valor razonable y la jerarquía en la que están clasificados es como sigue:

Al 31 de marzo de 2018

	Miles de euros			
	Total	Nivel 1	Nivel 2	Nivel 3
Valoraciones a valor razonable recurrentes	2.107.230	-	-	2.107.230
<i>Inversiones inmobiliarias</i>				
Viviendas	2.107.230	-	-	2.107.230
Total activos valorados a valor razonable de forma recurrente	2.107.230	-	-	2.107.230

Durante el periodo de tres meses terminado al 31 de marzo de 2018 no se han producido traspasos de activos entre los diferentes niveles.

Al 31 de marzo de 2018, el detalle de la superficie bruta es el siguiente:

31 de mazo 2018	Metros Cuadrados								% Ocupación
	Superficie Bruta Alquilable								
	Com. Madrid	Cataluña	Castilla y León	Galicia	Andalucía	Com. Valenciana	Resto España	Total	
Inversiones Inmobiliarias	457.362	36.764	32.516	54.612	4.700	47.571	198.576	832.101	91%
% Peso	54,96%	4,42%	3,91%	6,56%	0,56%	5,72%	23,87%		

6. Patrimonio neto y fondos propios

6.1 Capital social y prima de emisión

Con fecha 19 de enero de 2018 ha tenido lugar la cancelación del contrato de prestación de servicios suscrito con Merlin Properties SOCIMI, S.A. incurriendo la Sociedad Dominante en un gasto por importe de 107.244 miles de euros (que incluye la parte correspondiente al IVA no recuperable). Dicho importe ha sido calculado en base al valor por acción del Grupo a la fecha efectiva de la cancelación (conforme al NAV del Grupo a dicha fecha), por el número de acciones a entregar conforme a la estipulación 9.2 del mencionado contrato (640.693.342 nuevas acciones).

El pasivo derivado de la citada cancelación se ha liquidado mediante la capitalización de un importe de 89.721 miles de euros, según se explica en el párrafo siguiente, y el pago en efectivo de 18.842 miles de euros correspondientes al IVA, de los cuales un importe de 17.523 miles de euros, no son deducibles fiscalmente.

La Junta General de Accionistas de Testa Residencial SOCIMI, S.A. celebrada el 26 de marzo de 2018 aprobó una ampliación de capital social por compensación de créditos por importe de 89.721 miles de euros, mediante la emisión de 640.693.342 nuevas acciones de 0,01 euros de valor nominal cada una de ellas (6.407 miles de euros), con una prima de emisión de 0,130037800013383 euros por acción emitida (83.314 miles de euros). Dicha ampliación de capital ha sido suscrita en su totalidad por Merlin Properties SOCIMI, S.A.

Con fecha 26 de marzo de 2018, el Consejo de Administración aprobó la redenominación de las acciones, pasando de 13.227.020.257 de 0,01 euro de valor nominal por acción a 132.270.202 acciones de 1 euro de valor nominal por acción. Con el fin de que el número total de acciones agrupadas sea múltiplo al establecido en la ecuación de canje se aprueba previo a la redenominación la amortización voluntaria de 57 acciones.

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Al 31 de marzo de 2018 el capital social de Testa Residencial SOCIMI, S.A asciende a 132.270 miles de euros y está representado por 132.270.202 acciones ordinarias, de 1 euro de valor nominal cada una de ellas, todas de la misma clase, totalmente suscritas y desembolsadas, otorgando a sus titulares los mismos derechos.

Los accionistas titulares de participaciones significativas en el capital social de la Sociedad Dominante tanto directas como indirectas, al 31 de marzo de 2018 son los siguientes:

A 31 de marzo de 2018

	Acciones			% del Capital
	Directas	Indirectas	Total	
Banco Santander, S.A.	17.331.791	31.432.889	48.764.680	36,87%
Merlin Properties, SOCIMI S.A	22.420.089	-	22.420.089	16,95%
Banco Bilbao Vizcaya Argentaria, S.A.	4.889.621	28.501.307	33.390.928	25,24%
Acciona Real Estate S.L.	26.454.040	-	26.454.040	20,00%
Otros	1.240.465	-	1.240.465	0,94%

Prima de emisión

El texto Refundido de la Ley de Sociedades de Capital, permite expresamente la utilización del saldo de la prima de emisión para ampliar capital y no establece restricción específica alguna en cuanto a la disponibilidad de dicho saldo.

Esta reserva es de libre disposición siempre y cuando como consecuencia de su distribución no se sitúen los fondos propios de la Sociedad Dominante por debajo de la cifra del capital social.

6.2 Reservas y remanente

El detalle de las reservas y remanente al 31 de marzo de 2018 y al 31 de diciembre de 2017 es el siguiente:

	Miles de euros	
	31.03.2018	31.12.2017
Reserva legal	3.203	3.203
Otras Reservas	(162.266)	(162.073)
Reservas en sociedades consolidadas	25.824	25.824
Remanente	70.146	-
Total Reservas	(63.093)	(133.046)

La distribución del beneficio del ejercicio 2017 que ascendió a 70.146 miles de euros, se encuentra pendiente de aprobación por la Junta General de Accionistas, el cual se encuentra registrado en el epígrafe "Remanente" del estado de situación financiera resumido consolidado adjunto.

Reserva legal

La reserva legal se dotará de conformidad con el artículo 274 del Texto Refundido de la Ley de Sociedades de Capital, que establece que, en todo caso, una cifra igual al 10 por 100 del beneficio del ejercicio se destinará a ésta hasta que alcance, al menos, el 20 por 100 del capital social.

No puede ser distribuida y si es usada para compensar pérdidas, en el caso de que no existan otras reservas disponibles suficientes para tal fin, debe ser repuesta con beneficios futuros.

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Al 31 de marzo de 2018, el Grupo no tiene dotada esta reserva con el límite mínimo que establece el Texto Refundido de la Ley de Sociedades de Capital.

De acuerdo con la Ley 11/2009, por la que se regulan las sociedades anónimas cotizadas de inversión en el mercado inmobiliario (SOCIMI), 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.

Tal y como se menciona en las Notas 3 y 13 de las cuentas anuales consolidadas del ejercicio 2017, conforme a los términos del contrato de accionistas, Acciona Real Estate, S.L. tiene derecho a amortizar las acciones suscritas en la aportación descrita en dichas notas en el caso de que el Grupo no hubiera incorporado sus títulos a un mercado bursátil con anterioridad al 21 de septiembre de 2022. En caso de tener lugar dicha situación, la Sociedad Dominante debería entregar a cambio de las acciones amortizadas un importe equivalente al porcentaje que dichas acciones representasen sobre el EPRA NAV del Grupo a la fecha de dicha amortización. El pago podría realizarse, a opción de la Sociedad Dominante, en efectivo o mediante la devolución de los activos netos recibidos en la ampliación de capital suscrita por Acciona Real Estate, S.L., y si este fuera el caso, la diferencia con respecto al EPRA NAV del Grupo a la fecha de amortización se liquidaría en más o en menos, en efectivo. Conforme a la NIC 32, el Grupo tiene reconocido el compromiso que mantiene con Acciona Real Estate, S.L., registrando un pasivo financiero equivalente al valor actual del importe a reembolsar, el cual asciende al 31 de marzo de 2018 a 355.895 miles de euros (Nota 8).

En este sentido, los Administradores de la Sociedad Dominante estiman que es altamente probable que el Grupo incorpore sus acciones al mercado bursátil antes del 21 de septiembre de 2022, y por tanto, la opción de amortización de sus acciones por parte de Acciona Real Estate S.L. expirará, y en consecuencia el pasivo se transformará inmediatamente en patrimonio neto.

Reservas en sociedades consolidadas

El desglose de las reservas en sociedades consolidadas al 31 de marzo de 2018 y 31 de diciembre de 2017 es el siguiente:

	Miles de euros	
	31.03.2018	31.12.2017
Testa Alquileres Urbanos, S.L.U.	(66)	(66)
Valdgrand 6, S.A.U.	-	-
Compañía Urbanizadora del Coto, S.L.	-	-
Testa Residencial, SOCIMI, S.A.	25.890	25.890
	25.824	25.824

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6.3 Socios Externos

El movimiento del capítulo "Socios Externos" del periodo de tres meses terminado el 31 de marzo de 2018, así como el de los resultados atribuidos a los socios externos, ha sido el siguiente:

	Miles de euros
Saldo al 31 de diciembre de 2016	-
Socios externos originados en combinación de negocios Acciona Real Estate, S.L.	732
Resultado del ejercicio 2017 atribuible a los socios minoritarios	40
Saldo al 31 de diciembre de 2017	772
Resultado del periodo de tres meses terminado el 31 de marzo de 2018 atribuible a los socios minoritarios	2
Saldo al 31 de marzo de 2018	774

Al 31 de marzo de 2018, la totalidad del saldo del epígrafe "Intereses minoritarios" del estado de situación financiera resumido consolidado adjunto corresponde a los accionistas minoritarios (0,345%) de Compañía Urbanizadora del Coto, S.L.

6.4 Beneficio por acción básico

Las ganancias por acción básicas se calculan dividiendo el beneficio del ejercicio atribuible a los accionistas ordinarios de la Sociedad Dominante entre el número medio ponderado de acciones ordinarias en circulación durante el periodo, excluidas las acciones propias.

El detalle del cálculo de las ganancias por acción básicas es como sigue:

	31.03.2018	31.03.2017
Beneficio del ejercicio atribuible a los tenedores de instrumentos de patrimonio neto de la Sociedad Dominante (miles de euros)	(104.261)	661
Nº medio ponderado de acciones en circulación (en miles)	126.290	81.578
Ganancias por acción básicas (euros)	(0,8256)	0,0081

El número medio de acciones ordinarias en circulación se calcula, en base al nuevo número de acciones, una vez redenominadas (véase Nota 6.1), como sigue (en miles):

	Número de acciones	
	31.03.2018	31.03.2017
Acciones ordinarias al inicio del período	125.863	46.766
Ampliaciones de capital	6.407	52.218
Efecto promedio de las acciones en circulación	(5.980)	(17.406)
Número medio ponderado de las acciones ordinarias en circulación	126.290	81.578

Diluido

Las ganancias por acción diluidas se calculan ajustando el beneficio del ejercicio atribuible a los tenedores de instrumentos de patrimonio neto de la Sociedad Dominante y el número medio ponderado de acciones ordinarias en circulación por todos los efectos dilutivos inherentes a las acciones ordinarias potenciales, es decir, como si se

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hubiera llevado a cabo la conversión de todas las acciones ordinarias potencialmente dilutivas.

Al 31 de marzo de 2018, la Sociedad Dominante no tiene diferentes clases de acciones ordinarias potencialmente dilutivas.

7. Pasivos financieros corrientes y no corrientes

7.1 Deudas con entidades financieras

Al 31 de marzo de 2018 y al 31 de diciembre de 2017 el detalle de pasivos corrientes y no corrientes es el siguiente:

	Miles de euros	
	31.03.2018	31.12.2017
No corriente:		
<i>Valorados a coste amortizado</i>		
Préstamo sindicado	350.000	350.000
Gastos de formalización del préstamo sindicado	(2.022)	(1.819)
Total préstamo sindicado	347.978	348.181
Préstamos hipotecarios	122.915	123.224
Gastos de formalización	(826)	(860)
Total otros préstamos	122.089	122.364
<i>Valorados a valor razonable</i>		
Instrumentos financieros derivados	102	120
Total a valor razonable	102	120
Total no corriente	470.169	470.665
Corriente:		
<i>Valorados a coste amortizado</i>		
Préstamos hipotecarios	2.238	2.238
Intereses de deudas	375	301
Total coste amortizado	2.613	2.539
Total corriente	2.613	2.539

Para los pasivos financieros valorados a coste amortizado, no existe diferencia significativa entre su valor contable y su valor razonable.

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7.2 Préstamos

El detalle de préstamos al 31 de marzo de 2018 y al 31 de diciembre de 2017 es el siguiente:

31 de marzo de 2018

	Miles de euros				
	Deudas con entidades de crédito				
	Límite	Gastos formalización de deudas	31.03.2018		Intereses a corto plazo
			Largo plazo	Corto plazo	
Préstamo sindicado	800.000	(2.022)	350.000	-	263
Préstamos hipotecarios	125.153	(826)	122.915	2.238	112
Total	925.153	(2.848)	472.915	2.238	375

31 de diciembre de 2017

	Miles de euros				
	Deudas con entidades de crédito				
	Límite	Gastos formalización de deudas	31.12.2017		Intereses a corto plazo
			Largo plazo	Corto plazo	
Préstamo sindicado	800.000	(1.819)	350.000	-	191
Préstamos hipotecarios	125.462	(860)	123.224	2.238	110
Total	925.462	(2.679)	473.224	2.238	301

Determinada financiación incluye unos compromisos de obligaciones de información respecto a las cuentas anuales individuales y consolidadas, así como a los presupuestos. Por otro lado, semestralmente, el Grupo deberá cumplir con determinados compromisos de ratios de cobertura como la proporción existente entre valor de los activos sobre la deuda pendiente ("Loan to Value"), la proporción existente entre los ingresos del Grupo y los intereses de la deuda ("ICR"). Al 31 de marzo de 2018 el Grupo cumple con las ratios financieros establecidos en dicho contrato y los Administradores estiman que también se cumplirán al cierre del ejercicio 2018 y en los próximos ejercicios.

Préstamo sindicado Sociedad Dominante

Con fecha 20 de diciembre de 2017 la Sociedad Dominante suscribió un préstamo sindicado sin garantía hipotecaria por importe de 800 millones de euros. Esta financiación fue destinada a la cancelación del anterior préstamo sindicado de la Sociedad Dominante por importe de 250 millones de euros, cuyo vencimiento estaba estipulado en mayo de 2018, y a la cancelación del préstamo sindicado hipotecario contraído por la sociedad dependiente Compañía Urbanizadora del Coto S.L. por importe de 77 millones de euros, cuyo vencimiento estaba estipulado en septiembre de 2022. Las condiciones principales de este préstamo sindicado sin garantía hipotecaria son las siguientes:

- El préstamo se divide en tres tramos:
 - a) El primer tramo consiste en una financiación bancaria con garantía corporativa de 350 millones de euros con vencimiento en diciembre de 2022 y un tipo de interés de Euribor + 120 puntos básicos. La totalidad del primer tramo se amortiza a vencimiento y fue destinada en su totalidad a cancelar los préstamos

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sindicados de la Sociedad Dominante y de Compañía Urbanizadora del Coto S.L. Al 31 de marzo de 2018, la totalidad del primer tramo se encuentra dispuesto.

- b) El segundo tramo consiste en un préstamo puente por importe de 350 millones de euros con vencimiento previsto en diciembre de 2019 y un coste inicial de Euribor + 50 puntos básicos. Al 31 de marzo de 2018 la Sociedad Dominante no ha dispuesto de este tramo.
- c) El tercer tramo consiste en una línea de crédito revolving por importe de 100 millones de euros. El vencimiento de la línea de crédito es en diciembre 2022 y devenga un tipo de interés de Euribor +120 puntos básicos ligado al rating de la compañía. Esta financiación se destinará a usos generales corporativos. Al 31 de marzo de 2018 la Sociedad Dominante no ha dispuesto de esta línea de crédito.

Adicionalmente, durante el periodo de tres meses terminado al 31 de marzo de 2018, el Grupo ha imputado 66 miles de euros como gastos de formalización de deuda, en el epígrafe "Gastos financieros" de la cuenta de resultados resumida consolidada del periodo de tres meses terminado al 31 de marzo de 2018 adjunta asociados al préstamo sindicado.

Préstamos hipotecarios

Durante el primer trimestre de 2018 la Sociedad Dominante amortizó 309 miles de euros, correspondientes a sus préstamos hipotecarios. Adicionalmente, durante el periodo de tres meses terminado al 31 de marzo de 2018, el Grupo ha imputado 52 miles de euros como gastos de formalización de deuda, en el epígrafe "Gastos financieros" de la cuenta de resultados resumida consolidada del periodo de tres meses terminado al 31 de marzo de 2018 adjunta asociados a los préstamos hipotecarios.

Vencimientos de la deuda

El detalle por vencimientos de la deuda del Grupo al 31 de marzo de 2018 es el siguiente:

Año	Miles de euros		
	Préstamo Hipotecario	Préstamo Sindicado	Total
2018	1.928	-	1.928
2019	2.238	-	2.238
2020	2.238	-	2.238
2021	2.238	-	2.238
2022	80.738	350.000	430.738
Más de 5 años	35.773	-	35.773
	125.153	350.000	475.153

Los saldos de las deudas con entidades de crédito reflejan solo la parte dispuesta.

Durante el periodo de tres meses terminado el 31 de marzo de 2018 no se han incumplido las condiciones contractuales de pago de los préstamos pendientes ni ninguna otra condición contractual.

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8. Otros pasivos corrientes y no corrientes

El detalle de estos epígrafes al 31 de marzo de 2018 y al 31 de diciembre de 2017 es el siguiente:

	Miles de euros	
	31.03.2018	31.12.2017
<i>No corriente</i>		
Otros pasivos financieros	355.895	355.565
Provisiones	320	320
Fianzas y depósitos recibidos	15.591	15.002
<i>Corriente</i>		
Provisiones	-	1.019
Total	371.806	371.906

Otros pasivos financieros – No corriente

Tal y como se menciona en las Notas 3 y 13 de las cuentas anuales consolidadas del ejercicio 2017, la Sociedad Dominante está obligada, a decisión de Acciona Real Estate, S.L., a llevar a cabo una reducción de capital en el caso de que los títulos de la Sociedad Dominante no se incorporen al mercado bursátil antes del 21 de septiembre de 2022. La amortización de acciones irá dirigida únicamente a las que ha suscrito Acciona Real Estate, S.L. en 2017 y el importe de la reducción de capital se determinará en función del EPRA NAV a la fecha de la reducción del capital. La liquidación se realizaría, a opción de la Sociedad Dominante, mediante efectivo o la entrega de los activos recibidos en la aportación realizada en el ejercicio 2017, y si este fuera el caso la diferencia con respecto al EPRA NAV del Grupo a la fecha de amortización se liquidaría en efectivo.

De acuerdo con la normativa contable vigente, el Grupo tiene reconocido un pasivo a largo plazo derivado del compromiso mencionado en el párrafo anterior. Conforme a NIC 32 dicho pasivo se reconoció inicialmente al valor presente de la estimación del valor neto de los activos del Grupo y se ha actualizado al 31 de marzo de 2018 en función de la variación experimentada por su valor razonable.

El gasto por variación del valor razonable durante el periodo de tres meses terminado al 31 de marzo de 2018 ha ascendido a 330 miles de euros, el cual se encuentra registrado en el epígrafe de "Variación de valor razonable en instrumentos financieros" de la cuenta de resultados resumida consolidada del periodo de tres meses terminado al 31 de marzo de 2018 adjunto.

Para el cálculo del valor razonable el Grupo ha estimado el EPRA NAV actual, partiendo del patrimonio neto del Grupo, ajustado por las plusvalías implícitas de los proyectos y acuerdos concesionales valorados a mercado. Las hipótesis utilizadas para la determinación del valor razonable de las inversiones inmobiliarias del Grupo se desglosan en la Nota 7 de la memoria de las cuentas anuales consolidadas del ejercicio 2017.

En este sentido, los Administradores de la Sociedad Dominante estiman que es altamente probable que el Grupo incorpore sus acciones al mercado bursátil antes del 21 de septiembre de 2022, y por tanto, la opción de amortización de sus acciones por parte de Acciona Real Estate S.L. expirará, y en consecuencia el pasivo se transformará inmediatamente en patrimonio neto.

En el epígrafe "Fianzas y depósitos recibidos" se recogen, fundamentalmente, los importes entregados por los arrendatarios en concepto de garantía y que serán devueltos a la finalización de los contratos.

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9. Acreedores comerciales y otras cuentas a pagar

El detalle de acreedores comerciales y otras cuentas a pagar al 31 de marzo de 2018 y al 31 de diciembre del ejercicio 2017 es como sigue:

	Miles de euros	
	31.03.2018	31.12.2017
Acreedores comerciales y otras cuentas a pagar:		
Proveedores	651	811
Proveedores, empresas vinculadas	-	2.357
Acreedores varios	4.661	567
Personal (remuneraciones pendientes de pago)	231	591
Pasivos por impuesto corriente	648	523
Otras deudas con las Administraciones Públicas	584	243
Anticipos de clientes	5	
Total	6.780	5.092

Los Administradores de la Sociedad Dominante consideran que el importe en libros de los acreedores comerciales se aproxima a su valor razonable.

Dentro del epígrafe "Acreedores varios" se encuentra registrado un importe de 4.500 miles de euros correspondiente a la estimación de los gastos incurridos por el Grupo en el proceso de salida a bolsa en la que se encuentra inmerso.

10. Ingresos y gastos

10.1 Ingresos ordinarios

La distribución del importe neto de la cifra de negocios del periodo de tres meses terminado al 31 de marzo de 2018 y 2017 es la siguiente:

	Miles de euros	
	2018	2017
Ingresos por arrendamiento	17.898	8.352
Ingresos por prestación de servicios	4	442
Total importe neto de la cifra de negocios	17.902	8.794

a) Información por área geográfica

La distribución de los ingresos por arrendamiento del periodo de tres meses terminado el 31 de marzo de 2018, distribuida por mercados geográficos, es la siguiente:



Comunidades Autónomas	Miles de euros	%
Madrid	11.612	64,9%
País Vasco	998	5,6%
Cataluña	891	5,0%
C. Valenciana	647	3,6%
Baleares	615	3,4%
Navarra	524	2,9%
Castilla La Mancha	525	2,9%
Resto	2.086	11,7%
Total	17.898	100%

10.2 Gastos de personal

El detalle de los gastos por retribuciones a los empleados del periodo de tres meses terminado el 31 de marzo de 2018 y 2017, es la siguiente:

	Miles de euros	
	2018	2017
Sueldos, salarios y asimilados	(1.057)	(607)
Otras cargas sociales e impuestos	(284)	(122)
Total gastos de personal	(1.341)	(729)

El número medio de personas empleadas en las distintas sociedades que componen el Grupo en el periodo de tres meses terminado el 31 de marzo de 2018 ha sido de 78.

Plan de incentivos a largo plazo a directivos y exit bonus

Con fecha 26 de marzo de 2018 ha sido notificado al Consejo de Administración de la Sociedad Dominante por parte de los Accionistas mayoritarios, que en las próximas fechas se va a formalizar un plan de incentivo pagadero en acciones de la Sociedad Dominante a directivos clave y otros empleados para el caso de salida a Bolsa de la Sociedad Dominante.

- Para el caso de los directivos clave, éstos recibirían las acciones en los tres años siguientes a la salida a Bolsa de la Sociedad Dominante (a razón del 15%, 35% y 50%), siendo la cantidad a recibir un porcentaje de su remuneración anual, estando condicionado su devengo al precio de la salida a Bolsa comparado con el EPRA NAV del Grupo al 31 de marzo de 2018 (ajustándolo al derecho de recompra de Acciona Real Estate, S.A.) y a su permanencia como empleados del Grupo en las fechas de entrega.
- Para el resto de los empleados, recibirán una cantidad fija en acciones en el primer aniversario de la salida a Bolsa (sujeto a su permanencia como empleados del Grupo).

El importe a percibir en concepto de este incentivo, en base a la mejor estimación de los Administradores de la Sociedad Dominante oscilará entre un mínimo de 1,6 millones de euros y un máximo de 5,1 millones de euros. El Grupo contabilizará dicho plan, una vez se formalice, de acuerdo a los requisitos exigidos en la NIIF 2 para acuerdos con pagos basados en acciones, reconociéndose el gasto durante el periodo de devengo del mismo (3 años para los directivos clave, un año para el resto de empleados) con cargo a patrimonio. El incentivo será liquidado por los accionistas mayoritarios.

Asimismo, el Consejo de Administración celebrado en dicha fecha ha propuesto a la Junta General de Accionistas de la Sociedad Dominante la aprobación de un plan de incentivos a largo plazo dirigido a ciertos directivos del Grupo, siendo la cantidad a recibir un porcentaje de su remuneración anual. Dicho plan tiene una duración de cinco años e incluye un periodo de medición durante los primeros tres años desde la salida a bolsa.

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El devengo del incentivo por parte de los directivos está condicionado a que se genere durante el período de medición un incremento de la tasa de retorno del accionista, medida a partir tanto del incremento de la cotización de la acción como del EPRA NAV, superior o igual al 18%, así como que el directivo permanezca prestando sus servicios al Grupo en cada una de las fechas de liquidación:

- Transcurrido tres meses desde la finalización del período de medición, los directivos recibirán en efectivo el 50% del incentivo,
- Transcurrido un año y tres meses desde la finalización del período de medición, los directivos recibirán en acciones el 25% del incentivo, y
- Transcurrido dos años y tres meses desde la finalización del período de medición, los directivos recibirán en acciones el 25% restante del incentivo.

En caso de cumplirse el incremento mínimo de tasa de retorno del accionista, el importe a percibir en concepto de este incentivo, en base a la mejor estimación de los Administradores, oscilará entre un mínimo de 3,6 millones de euros y un máximo de 5,4 millones de euros. El Grupo contabilizará la parte liquidable en efectivo de dicho plan de acuerdo a los requisitos exigidos en la NIIF 19 beneficios para empleados, registrándose el gasto conforme a su devengo (3, 4 y 5 años), con abono a pasivo. Por otra parte, la parte liquidable en acciones se registrará de acuerdo a los requisitos exigidos en la NIIF 2 para acuerdos con pagos basados en acciones, reconociéndose el gasto durante el período de devengo del mismo con cargo a patrimonio.

10.3 Otros gastos de explotación

El detalle de este epígrafe de la cuenta de resultados del período de tres meses terminado el 31 de marzo de 2018 y 2017, es el siguiente:

	Miles de euros	
	2018	2017
Gastos no recuperables de los inmuebles en arrendamiento	3.957	2.807
Gastos generales		
Servicios Profesionales	4.863	2.032
Alquiler de Oficinas	43	23
Tributos	233	461
Otros	720	60
Provisión por desistimiento contrato de servicios (Notas 6.1 y 11.1)	107.244	-
Pérdidas, deterioro y variación de provisiones	11	-
Total	117.071	5.383

11. Operaciones y saldos con partes vinculadas

Se consideran "partes vinculadas" al Grupo, adicionalmente a las entidades Dependientes, Asociadas y Multigrupo, los accionistas, el "personal clave" de la Dirección de la Sociedad (miembros de su Consejo de Administración y los Directores, junto a sus familiares cercanos), así como las entidades sobre las que el personal clave de la Dirección pueda ejercer una influencia significativa o tener su control.

11.1 Operaciones con vinculadas

El Grupo realiza todas sus operaciones con vinculadas a valores de mercado. Adicionalmente, los precios de transferencia se encuentran adecuadamente soportados, por lo que los Administradores de la Sociedad Dominante consideran que no existen riesgos significativos por este aspecto de los que puedan derivarse pasivos de

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consideración en el futuro. El detalle de operaciones realizadas con empresas vinculadas durante del periodo de tres meses terminado el 31 de marzo de 2018 y 2017 es el siguiente:

Periodo de tres meses terminado el 31 de marzo de 2018

	Miles de euros			
	Otros gastos de explotación	Gastos financieros	Ingresos por arrendamiento	Ingresos por prestación de servicios
Merlin Properties, SOCIMI, S.A.	89.973	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	-
Banco Santander, S.A.	-	200	43	4
TOTAL	89.973	200	43	4

Periodo de tres meses terminado el 31 de marzo de 2017

	Otros gastos de explotación	Miles de euros		
		Gastos financieros	Ingresos por arrendamiento	Ingresos por prestación de servicios
Merlin Properties, SOCIMI, S.A.	1.941	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	160	-	138
Banco Santander, S.A.	-	713	42	261
TOTAL	1.941	873	42	399

En el ejercicio 2016, la Sociedad Dominante suscribió un contrato de prestación de servicios con Merlin Properties, SOCIMI, S.A. para la prestación de servicios de asesoría, planificación y gestión estratégica de los negocios, activos y pasivos a cambio de una contraprestación económica anual de 7,7 millones de euros más el impuesto sobre el valor añadido (actualizable anualmente al 1,5%).

Con fecha 19 de enero de 2018, ha tenido lugar su cancelación, habiendo satisfecho la Sociedad Dominante un importe de 89.721 miles de euros derivado del desistimiento (Véase Nota 6.1).

11.2 Saldos con vinculadas

El importe de los saldos con vinculadas en el balance al 31 de marzo de 2018 y 31 de diciembre de 2017 es el siguiente:

31 de marzo de 2018

	Miles de euros				
	Cuenta corriente y otras deudas con empresas del Grupo y asociadas	Proveedores	Deuda con entidades de Crédito	Otros Pasivos (Notas 6 y 8)	Efectivo y otros activos líquidos
Merlin Properties, SOCIMI, S.A.	-	-	-	-	-
Acciona Real Estate, S.L. (Nota 3)	5.400	-	-	355.895	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	-	4.877
Banco Santander, S.A.	-	-	56.016	-	36.267
TOTAL	5.400	-	56.016	335.895	41.144

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31 de diciembre de 2017

	Miles de euros				
	Cuenta corriente y otras deudas con empresas del Grupo y asociadas	Proveedores	Deuda con entidades de Crédito	Otros Pasivos (Notas 6 y 8)	Efectivo y otros activos líquidos
Merlin Properties, SOCIMI, S.A.	-	2.357	-	-	-
Acciona Real Estate, S.L. (Nota 3)	5.400	-	-	355.565	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	-	25
Banco Santander, S.A.	-	-	56.016	-	55.405
TOTAL	5.400	2.357	56.016	335.565	55.430

Conforme al acuerdo de socios suscrito con Acciona Real Estate, S.L., las aportaciones realizadas por esta en el ejercicio 2017, una vez capitalizado el compromiso que la Sociedad Dominante tenía con uno de sus accionistas (véase Nota 6) no deben de ser inferiores al 20% del valor del Grupo a la fecha de la mencionada aportación. Derivado del efecto, fundamentalmente, de la salida de caja asociada al IVA soportado no deducible originado en la cancelación del contrato de prestación de servicios con Merlin Properties SOCIMI, S.A. las aportaciones realizadas por Acciona Real Estate, S.L. representaban un valor inferior en 5.400 miles de euros al 20% descrito anteriormente. Por este motivo, la Sociedad Dominante ha estimado que deberá pagar a Acciona Real Estate, S.L. un importe de 5.400 miles de euros, el cual se encuentra registrado dentro de la partida "Cuenta corriente y otras deudas con empresas del Grupo y asociadas".

11.3 Retribuciones al Consejo de Administración y a la Alta Dirección

Las retribuciones percibidas durante el periodo de tres meses terminado al 31 de marzo de 2018 por los miembros del Consejo de Administración y la alta dirección de Testa Residencial, SOCIMI, S.A., clasificadas por conceptos, han sido las siguientes (en miles de euros):

	Sueldos	Dietas	Otros Conceptos	Planes de Pensiones	Primas de Seguros (1)	Indemnizaciones por Cese	Pagos Basados en Instrumentos de Patrimonio	Retribución personas físicas que representan a la Sociedad (2)
Consejo de Administración y Alta Dirección	345	-	-	-	2	-	-	-

(1) Incluye el importe satisfecho por la prima de seguro de responsabilidad civil de los Administradores por daños ocasionados por actos u omisiones, por importe de 19 miles euros.

(2) Incluye las remuneraciones satisfechas a las personas físicas que representan a la Sociedad en el órgano de administración de otras entidades.

No existen anticipos ni créditos concedidos a los miembros del Consejo de Administración y a la alta dirección de la Sociedad Dominante al 31 de marzo de 2017 ni al 31 de diciembre de 2017.

A la fecha de formulación de los presentes estados financieros intermedios resumidos consolidados correspondientes al periodo de tres meses terminado al 31 de marzo de 2018 los Administradores de la Sociedad Dominante están formados por 10 varones y 1 mujer (al 31 de diciembre de 2017 estaba formado por 9 varones y 1 mujer).

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11.4 Información en relación con situaciones de conflicto de intereses por parte de los Administradores

En el periodo de tres meses terminado al 31 de marzo de 2018 los miembros del Consejo de Administración de Testa Residencial SOCIMI, S.A. no han comunicado a los demás miembros del Consejo situación alguna de conflicto, directo o indirecto, que ellos o personas vinculadas a ellos, según se define en la Ley de Sociedades de Capital, pudieran tener con el interés de la Sociedad Dominante.

12. Información sobre la gestión del Riesgo Financiero

Factores de riesgo financiero

Las actividades del Grupo están expuestas a diversos riesgos financieros: riesgo de mercado, riesgo de crédito, riesgo de liquidez y riesgo del tipo de interés en los flujos de efectivo. El programa de gestión del riesgo global del Grupo se centra en la incertidumbre de los mercados financieros y trata de minimizar los efectos potenciales adversos sobre la rentabilidad financiera del Grupo.

La gestión del riesgo está controlada por la Alta Dirección del Grupo con arreglo a políticas aprobadas por el Consejo de Administración. La Alta Dirección identifica, evalúa y cubre los riesgos financieros en estrecha colaboración con las unidades operativas del Grupo. El Consejo proporciona políticas escritas para la gestión del riesgo global, así como para materias concretas tales como, riesgo de mercado, riesgo de tipo de interés, riesgo de liquidez e inversión del excedente de liquidez.

Riesgo de mercado

Atendiendo a la situación actual del sector inmobiliario, y con el fin de minimizar el impacto que ésta puede provocar, el Grupo tiene establecidas medidas concretas que tiene previsto adoptar para minimizar dicho impacto en su situación financiera.

La aplicación de estas medidas está subordinada a los resultados de los análisis de sensibilidad que el Grupo realiza de forma recurrente. Estos análisis tienen en cuenta:

- Entorno económico en el que desarrolla su actividad: Diseño de diferentes escenarios económicos modificando las variables clave que pueden afectar al Grupo (tipos de interés, precio de las acciones, % de ocupación de las inversiones inmobiliarias, etc.). Identificación de aquellas variables interdependientes y su nivel de vinculación.
- Marco temporal en el que se está haciendo la evaluación: Se tendrá en cuenta el horizonte temporal del análisis y sus posibles desviaciones.

Riesgo de crédito

Se define como el riesgo de pérdida financiera al que se enfrenta el Grupo si un cliente o contraparte no cumple con sus obligaciones contractuales.

Con carácter general el Grupo mantiene su tesorería y activos líquidos equivalentes en entidades financieras de alto nivel crediticio.

El Grupo tiene políticas para limitar el volumen de riesgo con los clientes y la exposición al riesgo en la recuperación de créditos se administra como parte de las actividades normales, a través, entre otros aspectos por la obtención de fianzas y avales.

El Grupo cuenta con procedimientos formales para la detección del deterioro de créditos comerciales. Mediante estos procedimientos y el análisis individual por áreas de negocio, se identifican retrasos en los pagos y se establecen los métodos a seguir para estimar la pérdida por deterioro.

A continuación se detallan los vencimientos estimados de los activos financieros del Grupo reflejados en el estado de situación financiera consolidado al 31 de marzo de 2018 y al 31 de diciembre de 2017. Las tablas adjuntas reflejan el análisis de dichos vencimientos de los activos financieros al 31 de marzo de 2018 y al 31 de diciembre de 2017:

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Al 31 de marzo de 2018

	Miles de euros				
	Menos de 3 meses	Más de 3 meses y menos de 6 meses	Más de 6 meses y menos de 1 año	Más de 1 año	Total
Fianzas y depósitos	-	-	-	5.470	5.470
Deudores comerciales y otras cuentas por cobrar	2.690	-	-	-	2.690
Periodificaciones	-	-	311	-	311
Efectivo y otros activos líquidos equivalentes	57.990	-	-	-	57.990
Total	60.680	-	311	5.470	66.461

Al 31 de diciembre de 2017

	Miles de euros				
	Menos de 3 meses	Más de 3 meses y menos de 6 meses	Más de 6 meses y menos de 1 año	Más de 1 año	Total
Fianzas y depósitos	-	-	-	5.074	5.074
Deudores comerciales y otras cuentas por cobrar	1.432	-	-	-	1.432
Otros activos financieros corrientes	-	-	3	-	3
Efectivo y otros activos líquidos equivalentes	71.158	-	-	-	71.158
Total	72.590	-	3	5.074	77.667

Efectivo y equivalentes de efectivo

El Grupo mantiene efectivo y equivalentes de efectivo por 57.990 miles de euros que representan su máxima exposición al riesgo por estos activos.

El efectivo y equivalentes de efectivo son mantenidos con bancos e instituciones financieras.

Riesgo de liquidez

Se define como el riesgo de que el Grupo tenga dificultades para cumplir con sus obligaciones asociadas a sus pasivos financieros que son liquidados mediante la entrega de efectivo o de otros activos financieros.

El Grupo lleva a cabo una gestión prudente del riesgo de liquidez, fundada en el mantenimiento de suficiente liquidez para cumplir con sus obligaciones cuando vencen, tanto en condiciones normales como de tensión, sin incurrir en pérdidas inaceptables o arriesgar la reputación del Grupo.

A continuación, se detalla la exposición del Grupo al riesgo de liquidez al 31 de marzo de 2018 y al 31 de diciembre de 2017. Las tablas adjuntas reflejan el análisis de los pasivos financieros por fechas contractuales de vencimientos remanentes.

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Al 31 marzo de 2018

	Miles de euros				
	Menos de 1 mes	De 1 a 3 meses	De 3 meses a 1 año	Más de 1 año	Total
Pasivos financieros con entidades de crédito	-	271	2.342	470.169	472.780
Otros pasivos no corrientes – fianzas y depósitos	-	-	-	15.591	15.591
Otros pasivos no corrientes	-	-	-	355.895	355.895
Acreedores comerciales y otras cuentas a pagar (sin incluir saldos con la Administración Pública)	5.864	-	-	-	5.864
Periodificaciones	-	-	2.522	-	2.522
Total	5.864	271	4.864	841.655	852.652

Al 31 de diciembre de 2017

	Miles de euros				
	Menos de 1 mes	De 1 a 3 meses	De 3 meses a 1 año	Más de 1 año	Total
Pasivos financieros con entidades de crédito	301	1.000	1.238	470.665	473.204
Otros pasivos no corrientes – fianzas y depósitos	-	-	-	15.002	15.002
Otros pasivos no corrientes	-	-	-	355.565	355.565
Acreedores comerciales y otras cuentas a pagar (sin incluir saldos con la Administración Pública)	4.326	-	-	-	4.326
Total	4.627	1.000	1.238	841.232	848.097

Riesgo de solvencia

A 31 de marzo de 2018 el endeudamiento financiero neto bancario del Grupo ascendía a 417.025 miles de euros tal como se muestra en el siguiente cuadro:

	Miles de euros
Deuda financiera bruta bancaria:	
Préstamo sindicado	350.000
Préstamos hipotecarios	124.640
Intereses devengados	375
Tesorería y equivalentes	(57.990)
Endeudamiento financiero neto bancario	417.025

Riesgo de tipo de cambio

El Grupo no tiene exposición al riesgo de fluctuaciones en los tipos de cambio pues realiza sus operaciones en moneda funcional.

Riesgo fiscal

Tal y como se menciona en la Nota 1, la Sociedad Dominante se acogió al régimen fiscal especial de la Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI). Según lo establecido en el artículo 6 de la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre, las sociedades que han optado por dicho régimen están obligadas a distribuir en forma de dividendos a sus accionistas, una vez

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cumplidas las obligaciones mercantiles que correspondan, el beneficio obtenido en el ejercicio, debiéndose acordar su distribución dentro de los seis meses siguientes a la conclusión de cada ejercicio y pagarse dentro del mes siguiente a la fecha del acuerdo de distribución.

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.

Al 31 de marzo de 2018, la Sociedad Dominante no cumple el requisito asociado a la incorporación de sus acciones al mercado bursátil, cuya fecha límite es el 22 de septiembre de 2018. En este sentido, el Consejo de Administración aprobó en su sesión del 30 de noviembre de 2017, el inicio del proceso que permitirá incorporar las acciones de la Sociedad Dominante al mercado continuo en los próximos meses. Por este motivo, y considerando el apoyo de los Accionistas, los Administradores de la Sociedad Dominante estiman que el requisito de cotización junto con el resto de requisitos exigidos para poder aplicar el régimen fiscal especial, se cumplirán según los términos establecidos por la normativa vigente, y que la Sociedad Dominante permanecerá acogida al régimen SOCIMI.

13. Hechos posteriores

A la fecha de formulación de los presentes estados financieros resumidos consolidados correspondientes al periodo de tres meses terminado el 31 de marzo de 2018, no hay hechos posteriores que afecten de forma significativa al Grupo que no hayan sido desglosadas en las Notas anteriores.

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Anexo I

Sociedades Dependientes al 31 de marzo de 2018

	Sociedad	Actividad / Domicilio	Participación	Miles de Euros								Método	Auditor
				Capital	Resultado		Resto de Patrimonio	Total Patrimonio	Dividendos Recibidos	Valor en libros			
					Explotación	Neto				Coste	Deterioro		
Compañía Urbanizadora del Coto, S.L.		Adquisición y promoción de bienes inmuebles para su arrendamiento / Paseo de la Castellana 257, Madrid	99,66%	15.315	983	733	210.742	226.790	-	290.040	-	Integración Global	Deloitte, S.L
Testa Alquileres Urbanos, S.L.U.		Adquisición y promoción de bienes inmuebles para su arrendamiento / Paseo de la Castellana 257, Madrid	100%	55.087	384	384	8.780	64.251	-	132.137	-	Integración Global	Deloitte, S.L.
Valgrand 6, S.A.U.		Adquisición y promoción de bienes inmuebles para su arrendamiento / Paseo de la Castellana 257, Madrid	100%	10.013	13	13	991	11.017	-	12.266	(1.201)	Integración Global	N/A

TESTA RESIDENCIAL, SOCIMI, S.A. Y SOCIEDADES DEPENDIENTES

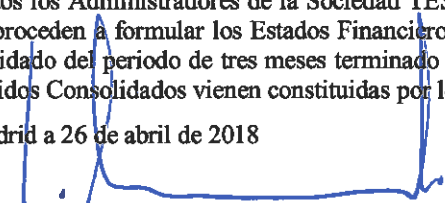
Estados Financieros Intermedios Resumidos Consolidados e Informe de Gestión correspondientes al periodo de tres meses terminado el 31 de marzo de 2018. 35 de 36

TESTA RESIDENCIAL, SOCIMI, S.A. y Sociedades Dependientes


Formulación de los Estados Financieros Intermedios Resumidos Consolidados e Informe de Gestión Consolidado del periodo de tres meses terminado el 31 de marzo de 2018

Reunidos los Administradores de la Sociedad TESTA RESIDENCIAL, SOCIMI, S.A. con fecha 26 de abril de 2018, proceden a formular los Estados Financieros Intermedios Resumidos Consolidados e Informe de Gestión Consolidado del periodo de tres meses terminado el 31 de marzo de 2018. Los Estados Financieros Intermedios Resumidos Consolidados vienen constituidas por los documentos anexos que preceden a este escrito.

En Madrid a 26 de abril de 2018

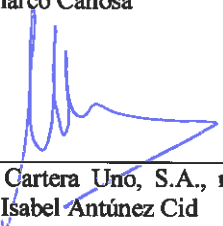

D. Ignacio Moreno Martínez (Presidente)


D. Miguel Oñate Rino (Vicepresidente)


D. Wolfgang Beck (Consejero Delegado)


D. Javier Alarcó Canosa


Merlin Properties, SOCIMI, S.A., representada por
D. Fernando Rodríguez-Avial Llardent


Finanzas y Cartera Uno, S.A., representada por
Dña. María Isabel Antúnez Cid

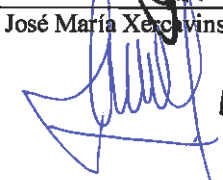

D. Carlos Manzano Cuesta


Altamira Santander Real Estate, S.A., representada
por D. Jaime Rodríguez Andrade


D. Cesáreo Rey-Baltar Oramas


D. José María Xescivins Luch


D. Antonio Hernández Mancha


D. Lucas Osorio Iturmendi

Secretario del Consejo de Administración

TESTA RESIDENCIAL, SOCIMI, S.A. Y SOCIEDADES DEPENDIENTES

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Testa Residencial SOCIMI, S.A.

Cuentas Anuales del ejercicio
terminado el 31 de diciembre de
2017 e Informe de Gestión, junto
con el Informe de Auditoría
Independiente

INFORME DE AUDITORÍA DE CUENTAS ANUALES EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de Testa Residencial SOCIMI, S.A.:

Opinión

Hemos auditado las cuentas anuales de Testa Residencial SOCIMI, S.A. (la Sociedad), que comprenden el balance a 31 de diciembre de 2017, 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 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 2017, así como de sus resultados y flujos de efectivo correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 2.1 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 y Participaciones en Empresas del Grupo y asociadas a Largo Plazo

Descripción

La Sociedad gestiona, directamente e indirectamente a través de su participación en empresas del Grupo y asociadas, una cartera de activos inmobiliarios de naturaleza residencial para su arrendamiento situados en España. La Sociedad valora estos activos a coste de adquisición, registrando en su caso los necesarios deterioros si el valor de mercado de los mismos fuera inferior. Al 31 de diciembre de 2017, las inversiones inmobiliarias y la participación en empresas del Grupo y asociadas dedicadas igualmente a la actividad inmobiliaria, figuran registradas por un valor neto contable total de 1.591 y 433 millones de euros, respectivamente.

La Sociedad periódicamente utiliza un experto independiente para determinar el valor razonable de sus activos inmobiliarios tanto los gestionados directamente como indirectamente a través de las empresas del Grupo y asociadas en las que participa. Dicho experto tiene experiencia sustancial en el mercado en el cual opera la Sociedad y utiliza metodologías y estándares de valoración ampliamente usados en el mercado.

La valoración de las inversiones inmobiliarias representa uno de los aspectos más relevantes de la auditoría, dado que requiere el uso de estimaciones con un grado de incertidumbre significativa. En particular, el método de valoración generalmente aplicado a los activos de patrimonio en renta es el de "Descuento de Flujos de Caja", que requiere realizar estimaciones sobre:

Procedimientos aplicados en la auditoría

Nuestros procedimientos de auditoría han incluido, entre otros, la revisión del diseño e implementación de los controles relevantes que mitigan los riesgos asociados al proceso de valoración de inversiones inmobiliarias y de participaciones en empresas del Grupo y asociadas, así como pruebas de verificación respecto a que los citados controles operan eficazmente.

Hemos obtenido los informes de valoración del experto contratado por la Sociedad para la valoración de la totalidad de la cartera inmobiliaria, evaluado la competencia, capacidad y objetividad del mismo, así como la adecuación de su trabajo para que sea utilizado como evidencia de auditoría. En este sentido, con la colaboración de nuestros expertos internos en valoración hemos:

- analizado y concluido sobre la razonabilidad de los procedimientos y metodología de valoración utilizada por los expertos contratados por la Dirección de la Sociedad,
- sobre una muestra de activos elegida en base selectiva, hemos desarrollado una valoración independiente tomando en consideración la información disponible de la industria y las transacciones de activos inmobiliarios similares a la cartera de activos inmobiliarios en propiedad de la Sociedad,
- hemos evaluado conjuntamente con nuestros expertos internos los aspectos con mayor riesgo,

Valoración de las Inversiones Inmobiliarias y Participaciones en Empresas del Grupo y asociadas a Largo Plazo

Descripción

- los ingresos netos futuros de cada propiedad en base a la información histórica disponible y estudios de mercado,
- tasa interna de retorno o coste de oportunidad usada en la actualización,
- valor residual del activo al final del período de proyección, y
- tasa de salida "exit yield".

Adicionalmente pequeñas variaciones porcentuales en las asunciones de las valoraciones de los activos inmobiliarios podrían dar lugar a variaciones significativas en las cuentas anuales.

Procedimientos aplicados en la auditoría

incluyendo las tasas de ocupación y los rendimientos esperados de los activos inmobiliarios, y

- nos hemos reunido con los expertos contratados por la Dirección de la entidad para contrastar los resultados de nuestro trabajo y obtener las explicaciones necesarias.

También hemos analizado la idoneidad de los desgloses realizados por la Sociedad en relación a estos aspectos, que se incluyen en las notas 7 y 10 de las cuentas anuales del ejercicio.

Otra información: Informe de gestión

La otra información comprende exclusivamente el informe de gestión del ejercicio 2017, cuya formulación es responsabilidad de los administradores 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 2017 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad de los Administradores y de la Comisión de Auditoría de la Sociedad en relación con las cuentas anuales

Los Administradores son responsables 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, 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, los administradores son responsables de la valoración de la capacidad de la Sociedad para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si los administradores tienen intención de liquidar la sociedad o de cesar sus operaciones, o bien no exista otra alternativa realista.

La Comisión de Auditoría de la Sociedad es responsable de la supervisión del proceso de elaboración y presentación de las cuentas anuales.

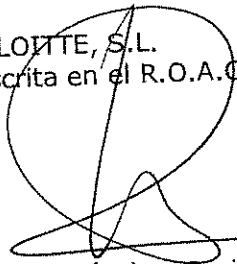
Responsabilidades del auditor en relación con la auditoría de las cuentas anuales

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 preverse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en las cuentas anuales.

En el Anexo I de este informe de auditoría se incluye una descripción más detallada de nuestras responsabilidades en relación con la auditoría de las cuentas anuales.

DELOITTE, S.L.
Inscrita en el R.O.A.C. nº S0692



Antonio Sánchez-Covisa Martín-González
Inscrito en el R.O.A.C nº 21251

26 de marzo de 2018

Anexo I de nuestro informe de auditoría

Adicionalmente a lo incluido en nuestro informe de auditoría, en este Anexo incluimos nuestras responsabilidades respecto a la auditoría de las cuentas anuales.

Responsabilidades del auditor en relación con la auditoría de 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 los administradores.
- Concluimos sobre si es adecuada la utilización, por los administradores, 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 los administradores 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 a los Administradores 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.

TESTA RESIDENCIAL, SOCIMI, S.A.

Cuentas anuales correspondientes al
ejercicio anual terminado el 31 de
diciembre de 2017 e Informe de
Gestión



TESTA RESIDENCIAL, SOCIMI, S.A.

BALANCE AL 31 DE DICIEMBRE DE 2017 (Miles de Euros)

ACTIVO	Notas de la Memoria	31/12/2017	31/12/2016	PATRIMONIO NETO Y PASIVO	Notas de la Memoria	31/12/2017	31/12/2016
ACTIVO NO CORRIENTE				PATRIMONIO NETO	Nota 14		
Inmovilizado intangible -				Fondos propios -		1.237.520	645.551
Concesiones	Nota 6	2.189.294	1.105.540	Capital suscrito		1.237.520	645.550
Aplicaciones informáticas		78.250	79.739	Prima de emisión		1.332.879	411.032
Inmovilizado material		99	34	Reservas -		(158.870)	193.006
Inversiones inmobiliarias -		52	-	Reserva legal		3.203	3.203
Terrenos	Nota 7	1.591.011	886.411	Otras reservas		(162.073)	185.803
Construcciones		871.059	451.565	Resultados de ejercicios anteriores		(1.764)	-
Inversiones en empresas del Grupo y asociadas a largo plazo -		719.952	434.846	Resultados del ejercicio (pérdida)		(10.162)	(1.754)
Instrumentos de patrimonio	Nota 10	813.551	132.137	Ajustes por cambios de valor		(336)	(489)
Créditos a empresas	Nota 21.2	433.242	132.137				
Inversiones financieras a largo plazo -		80.309	-	PASIVO NO CORRIENTE		900.572	418.025
Derecho de cobro, Acuerdo de Concusión	Nota 8	6.054	7.287	Provisiones a largo plazo -	Nota 16	320	1.410
Otros activos financieros	Nota 11	2.174	3.537	Deudas a largo plazo -	Nota 15	839.800	355.966
Activo por impuesto diferido	Nota 18	3.680	266	Derivados	Nota 15	470.376	347.911
		266		Otros pasivos financieros	Nota 15	120	940
				Pasivos por impuesto diferido	Nota 16	368.804	7.115
						60.552	60.549
ACTIVO CORRIENTE				PASIVO CORRIENTE		64.476	70.742
Deudores comerciales y otras cuentas a cobrar -				Provisiones a corto plazo	Nota 16	1.146	-
Clientes por ventas y prestaciones de servicios	Nota 12	63.564	31.488	Deudas a corto plazo -	Nota 15	2.539	12.635
Clientes, empresas del Grupo, asociadas y vinculadas		1.129	2.439	Deudas con empresas del Grupo, asociadas y vinculadas a corto plazo	Nota 21.2	2.539	12.635
Deudores varios	Nota 21.2	376	1.704	Acreeedores comerciales y otras cuentas a pagar -	Nota 17	66.782	61.844
Otros Créditos con las Administraciones Públicas		-	11	Proveedores		513	6.263
Inversiones en empresas del Grupo y asociadas a corto plazo		632	724	Acreeedores, empresas del Grupo, asociadas y vinculadas	Nota 21.2	2.357	2.745
Inversiones financieras a corto plazo	Nota 21.2	121	464	Acreeedores varios		271	624
Periodificaciones a corto plazo		-	24	Personal (Remuneraciones pendientes de pago)		560	1.008
Efectivo y otros activos líquidos equivalentes		114	665	Pasivo por impuesto corriente	Nota 18	141	7
		62.321	27.896	Otras deudas con Administraciones Públicas		158	313
TOTAL ACTIVO	Nota 13	2.252.768	1.137.328	TOTAL PATRIMONIO NETO Y PASIVO		2.252.768	1.137.328

Las Notas 1 a 25 descritos en la Memoria adjunta forman parte integrante del balance al 31 de diciembre de 2017.

TESTA RESIDENCIAL, SOCIMI, S.A.
CUENTA DE PÉRDIDAS Y GANANCIAS DEL EJERCICIO 2017
(Miles de Euros)

	Notas de la Memoria	Ejercicio 2017	Ejercicio 2016
Importe neto de la cifra de negocios -		48.060	9.011
Ventas	Notas 20.1	48.060	9.011
Otros ingresos de explotación		102	3
Gastos de personal -		(3.005)	(1.988)
Sueldos, salarios y asimilados	Nota 20.2	(2.497)	(1.863)
Seguros sociales		(508)	(125)
Otros gastos de explotación -		(24.160)	(4.669)
Servicios exteriores	Notas 20.3	(17.019)	(3.433)
Otros tributos		(6.744)	(1.170)
Perdidas por deterioro de créditos por operaciones comerciales	Nota 12	(397)	(66)
Amortización del inmovilizado	Notas 6 y 7	(14.009)	(3.004)
Deterioro y resultados por enajenaciones de inmovilizado -		(2.376)	163
Deterioros y pérdidas	Nota 7	(2.653)	-
Resultados por enajenaciones y otros	Nota 7	277	163
RESULTADO DE EXPLOTACIÓN		4.612	(484)
Ingresos financieros	Nota 20.4	23	1
De valores negociables y otros instrumentos financieros de terceros		23	1
Gastos financieros -		(7.986)	(1.136)
Por deudas con empresas del Grupo, asociadas y vinculadas	Nota 20.4	(6.099)	(751)
Por deudas con terceros	Nota 21.1	(1.904)	(385)
Variación del valor razonable en instrumentos financieros	Nota 15	(5.543)	-
Deterioro y resultado por enajenaciones de instrumentos financieros	Nota 10	(1.201)	-
RESULTADO FINANCIERO		(14.707)	(1.135)
RESULTADO ANTES DE IMPUESTOS		(10.095)	(1.619)
Impuestos sobre beneficios	Nota 18.2	(67)	(135)
RESULTADO DEL EJERCICIO		(10.162)	(1.754)

Las Notas 1 a 25 descritas en la Memoria adjunta forman parte integrante de la cuenta de pérdidas y ganancias del ejercicio 2017

TESTA RESIDENCIAL, SOCIMI, S.A.

ESTADO DE CAMBIOS EN EL PATRIMONIO NETO DEL EJERCICIO 2017

A) ESTADO DE INGRESOS Y GASTOS RECONOCIDOS

(Miles de Euros)

	Notas de la Memoria	Ejercicio 2017	Ejercicio 2016
RESULTADO DE LA CUENTA DE PÉRDIDAS Y GANANCIAS (I)		(10.162)	(1.754)
Ingresos y gastos imputados directamente al patrimonio neto			
- Por cobertura de flujos de efectivo		414	-
TOTAL INGRESOS Y GASTOS IMPUTADOS DIRECTAMENTE EN EL PATRIMONIO NETO (II)		414	-
Transferencias a la cuenta de pérdidas y ganancias			
- Por cobertura de flujos de efectivo		(261)	-
TOTAL TRANSFERENCIAS A LA CUENTA DE PÉRDIDAS Y GANANCIAS (III)		(261)	-
TOTAL INGRESOS Y GASTOS RECONOCIDOS (I+II+III)		(10.009)	(1.754)

Las Notas 1 a 25 descritas en la Memoria adjunta forman parte integrante del estado de ingresos y gastos reconocidos correspondiente al ejercicio 2017

TESTA RESIDENCIAL, SOCIMI, S.A.

ESTADO DE CAMBIOS EN EL PATRIMONIO NETO DEL EJERCICIO 2017

B) ESTADO TOTAL DE CAMBIOS EN EL PATRIMONIO NETO

(Miles de Euros)

	Capital	Prima de emisión	Reservas	Resultados de ejercicios anteriores	Resultado del ejercicio	Ajustes por cambios de valor	TOTAL
SALDO INICIAL DEL EJERCICIO 2016	46.766	411.032	193.006	-	-	(489)	650.315
Total ingresos y gastos reconocidos	-	-	-	-	(1.754)	-	(1.754)
SALDO FINAL DEL EJERCICIO 2016	46.766	411.032	193.006	-	(1.754)	(489)	648.561
Total ingresos y gastos reconocidos	-	-	-	-	(10.162)	153	(10.009)
Operaciones con accionistas	79.097	921.847	(2.115)	-	-	-	998.829
- Aumentos de capital	-	-	(349.761)	-	-	-	(349.761)
- Otros movimientos (Notas 10, 14 y 16)	-	-	-	(1.754)	1.754	-	-
Aplicación del resultado del ejercicio 2016	-	-	-	-	-	-	-
SALDO FINAL DEL EJERCICIO 2017	125.863	1.332.879	(158.870)	(1.754)	(10.162)	(336)	1.287.620

Las Notas 1 a 25 descritas en la Memoria adjunta forman parte integrante del estado total de cambios en el patrimonio neto correspondiente al ejercicio 2017

TESTA RESIDENCIAL, SOCIMI, S.A.

TESTA RESIDENCIAL, SOCIMI, S.A.

ESTADO DE FLUJOS DE EFECTIVO DEL EJERCICIO 2017

(Miles de Euros)

	Notas de la Memoria	Ejercicio 2017	Ejercicio 2016
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE EXPLOTACIÓN (I)		17.936	(924)
Resultado del ejercicio antes de impuestos		(10.095)	(1.619)
Ajustes al resultado:		33.473	5.212
- Amortización del inmovilizado	Notas 6 y 7	14.009	3.004
- Correcciones valorativas por deterioro	Nota 12	4.251	66
- Variación de provisiones		1.148	1.170
- Resultados por bajas y enajenaciones de inmovilizado	Nota 7	(277)	(163)
- Ingresos financieros	Nota 20 A	(23)	(1)
- Gastos financieros	Nota 20 A	7.986	1.136
- Variación de valor razonable en instrumentos financieros	Notas 15 y 16	5.543	-
- Otros ingresos y gastos		836	-
Cambios en el capital corriente		4.699	(4.121)
- Deudores y otras cuentas a cobrar		1.034	(1.296)
- Acreedores y otras cuentas a pagar		(2.497)	(3.448)
- Otros activos y pasivos no corrientes	Nota 8	6.162	623
Otros flujos de efectivo de las actividades de explotación		(10.141)	(396)
- Pagos de intereses		(10.134)	(1.161)
- Cobros de intereses		23	1
- Cobros (pagos) por impuesto sobre beneficios	Nota 5.1	(30)	(127)
- Otros cobros (pagos)		-	891
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE INVERSIÓN (II)		(95.561)	4.667
Pagos por inversiones		(135.041)	-
- Empresas del grupo y asociadas		(80.309)	-
- Inmovilizado intangible		(117)	-
- Inmovilizado material		(94)	-
- Inversiones inmobiliarias		(54.341)	-
- Otros activos financieros		(180)	-
Cobros por desinversiones		39.480	4.667
- Empresas del grupo y asociadas		35.107	-
- Inversiones inmobiliarias	Nota 7	4.349	4.667
- Otros activos financieros		24	-
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE FINANCIACIÓN (III)		112.050	(463)
Cobros y pagos por instrumentos de patrimonio		(2.115)	-
- Pago ampliaciones de capital		(2.115)	-
Cobros y pagos por instrumentos de pasivo financiero		114.135	(463)
- Emisión de deudas con entidades de crédito		377.000	-
- Devolución y amortización de deudas con entidades de crédito		(261.997)	(463)
- Devolución y amortización de deudas con empresas del grupo y asociadas		(462)	-
- Devolución y amortización de otras deudas		(406)	-
Ampliaciones de Capital	Nota 14	30	-
EFFECTO DE LAS VARIACIONES DE LOS TIPOS DE CAMBIO (IV)		-	-
AUMENTO/DISMINUCIÓN NETA DEL EFECTIVO O EQUIVALENTES (I+II+III+IV)		34.425	3.280
Efectivo o equivalentes al comienzo del ejercicio		27.896	24.616
Efectivo o equivalentes al final del ejercicio		62.321	27.896

Las Notas 1 a 25 descritas en la Memoria adjunta forman parte integrante del estado de flujos de efectivo correspondiente al ejercicio 2017

TESTA RESIDENCIAL, SOCIMI, S.A.

Cuentas Anuales e Informe de Gestión. Ejercicio 2017. 6 de 95

TESTA RESIDENCIAL, SOCIMI, S.A.

Memoria del ejercicio terminado
el 31 de diciembre de 2017

1. Naturaleza y actividad de la Sociedad

Testa Residencial, SOCIMI, S.A. (en adelante, la Sociedad), se constituyó como Sociedad Anónima y bajo la denominación social Vallehermoso Patrimonio, S.A., en Madrid, el 4 de enero de 2001, ante el Notario D. José Aristónico García Sánchez, por un período de tiempo indefinido.

Con fecha 24 de junio de 2005 cambió su denominación social de Vallehermoso Patrimonio, S.A. a Testa Residencial, S.L.U.

Con fecha 7 de abril de 2006 el Socio Único de Testa Residencial, S.L.U., Testa Inmuebles en Renta, S.A., formalizó mediante escritura pública ante el Notario de Madrid D. José Aristónico García Sánchez, y con número de su protocolo 836/2006, la aportación por parte del Socio Único de la rama de actividad de arrendamiento de viviendas situadas en territorio español, conforme a la decisión del Consejo de Administración de Testa Inmuebles en Renta, S.A. de fecha 20 de diciembre de 2005.

Con fecha 8 de junio de 2015, Merlin Properties, SOCIMI, S.A. y el Socio Único de Testa Residencial, S.L.U. (Testa Inmuebles en Renta SOCIMI, S.A.) formalizaron un acuerdo vinculante para la adquisición por parte de Merlin Properties, SOCIMI, S.A. de una participación mayoritaria (99,9%) en el capital social de Testa Inmuebles en Renta SOCIMI, S.A. A lo largo del ejercicio 2016, Merlin Properties, SOCIMI, S.A. se convirtió en la sociedad dominante del Grupo Testa Inmuebles en Renta SOCIMI, S.A. y sus sociedades dependientes, en el cual se integraba Testa Residencial, S.L.U.

Con fecha 15 de septiembre de 2016, tuvo lugar la integración entre el negocio residencial de Merlin Properties, SOCIMI, S.A. (Socio Único de Testa Residencial, S.L.U.) y el negocio residencial de Metrovacesa, S.A., por el que este último adquirió el control de la Sociedad, si bien fue Testa Residencial la entidad jurídica que subsistió mercantilmente (véase Nota 5).

El 22 de septiembre de 2016 la Junta General de Accionistas solicitó la incorporación de la Sociedad al Régimen Fiscal SOCIMI, de aplicación a partir del 1 de enero de 2016 modificando su denominación social de Testa Residencial, S.A.U. a Testa Residencial, SOCIMI, S.A.

La Sociedad con C.I.F. A82865890 se encuentra legalmente inscrita en el Registro Mercantil de Madrid.

La Sociedad desde el 23 de febrero de 2017 tiene su domicilio social en Paseo de la Castellana 257 en Madrid, anteriormente su domicilio social se encontraba en la calle Ventura Rodríguez, 7, Madrid.

Su objeto social consiste en el arrendamiento de viviendas situadas en territorio español que hayan sido construidas, promovidas o adquiridas por la Sociedad.

Todas las actividades se realizan únicamente en territorio español.

Desde septiembre de 2016, tras la combinación de los negocios residenciales de Testa Residencial y Metrovacesa descrita en la Nota 5, no existe ningún accionista individual que disponga del control de la Sociedad, en la medida que en los nuevos estatutos sociales de la Sociedad, se estipula que los acuerdos deben adoptarse tanto por mayoría a nivel del Consejo de Administración como a nivel de la Junta de Accionistas. Adicionalmente, los accionistas carecen de los derechos de voto suficientes en los mencionados órganos para ejercer el control.

La Sociedad es cabecera de un grupo de sociedades dependientes y, de acuerdo con la legislación vigente, está obligada a formular separadamente cuentas anuales consolidadas. Dichas cuentas consolidadas han sido

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elaboradas con arreglo a las Normas Internacionales de Información Financiera (NIIF) establecidas por el Reglamento (CE) nº 1606/2002 del Parlamento Europeo y del Consejo de 19 de julio de 2002, así como por todas las disposiciones e interpretaciones que lo desarrollan. Las cuentas anuales individuales y consolidadas del ejercicio 2017 han sido formuladas por los Administradores, en reunión de su Consejo de Administración celebrado el día 26 de marzo de 2018.

Las cuentas anuales consolidadas del ejercicio 2017 del Grupo Testa Residencial, SOCIMI, S.A. y sociedades dependientes preparadas conforme a las NIIF adoptadas por la Unión Europea presentan un volumen total de activos de 2.356.079 miles de euros y un patrimonio neto atribuible a los accionistas de la Sociedad Dominante de 1.393.752 miles de euros. Asimismo, las ventas consolidadas y el resultado consolidado atribuible a los accionistas de la Sociedad Dominante ascienden, respectivamente, a 52.943 miles de euros y 70.146 miles de euros de beneficio en 2017.

La Sociedad en el ejercicio 2016 estaba exenta de consolidar por estar dispensada de esta obligación, de acuerdo con la normativa vigente, puesto que participaba exclusivamente en sociedades dependientes que no poseían ningún interés significativo, ni individualmente ni en su conjunto, para la imagen fiel del patrimonio, de la situación financiera y de los resultados de las sociedades del Grupo.

Dadas las actividades a las que actualmente se dedica la Sociedad, la misma no tiene responsabilidades, gastos, activos, ni provisiones y 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 en la presente memoria de las cuentas anuales respecto a información de cuestiones medioambientales.

1.1 Régimen Socimi

Testa Residencial, SOCIMI, S.A., se encuentra 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 22 de septiembre de 2016 la Junta General de Accionistas solicitó la incorporación de la Sociedad al Régimen Fiscal SOCIMI, de aplicación a partir del 1 de enero de 2016 modificando su denominación social de Testa Residencial, S.A.U. a Testa Residencial, SOCIMI, S.A.

El artículo 3 establece los requisitos de inversión de este tipo de Sociedades, a saber:

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 importe 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 procedentes 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 la mencionada 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 entidades a que se refiere el apartado 1 del artículo 2 de la citada Ley.

3. Los bienes inmuebles que integren el activo de la SOCIMI 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 SOCIMI 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 la Ley, siempre que a dicha fecha el bien se encontrara arrendado u ofrecido en arrendamiento. De lo contrario, se estará sujeto 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 la mencionada Ley, deberán mantenerse en el activo de la SOCIMI 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 la citada 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 pasará a tributar por el régimen general del Impuesto sobre Sociedades a partir del propio período 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 período 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 períodos impositivos anteriores, sin perjuicio de los intereses de demora, recargos y sanciones que, en su caso, resulten procedentes.

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

Estas cuentas anuales se han formulado por los Administradores de acuerdo con el marco normativo de información financiera aplicable a la Sociedad, que es el establecido en:

- Código de Comercio y la restante legislación mercantil.
- Plan General de Contabilidad aprobado por el Real Decreto 1514/2007 y sus adaptaciones sectoriales.
- Las normas de obligado cumplimiento aprobadas por el Instituto de Contabilidad y Auditoría de Cuentas en desarrollo del Plan General de Contabilidad y sus normas complementarias.
- Ley 11/2009, de 26 de Octubre, modificada por la Ley 16/2012, de 27 de diciembre, por el que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI).
- El resto de la normativa contable española que resulte de aplicación.

Las cifras incluidas en las cuentas anuales están expresadas en miles de euros.

2.2 Imagen fiel

Las cuentas anuales adjuntas del ejercicio 2017 han sido obtenidas de los registros contables de la Sociedad y se presentan de acuerdo con el R.D. 1514/2007 por el que se aprueba el Plan General de Contabilidad, así como las modificaciones a éste introducidas por el R.D. 1159/2010, de forma que muestran la imagen fiel del patrimonio, de la situación financiera, de los resultados de la Sociedad y de los flujos de efectivo habidos durante el ejercicio 2017.

Estas cuentas anuales, que han sido formuladas por el Consejo de Administración, se someterán a la aprobación por la Junta General Ordinaria de Accionistas, estimándose que serán aprobadas sin modificación alguna.

Por su parte, las cuentas anuales del ejercicio 2016 fueron aprobadas por la Junta General de Accionistas el 29 de junio de 2017.

2.3 Principios contables aplicados

Los Administradores han formulado estas cuentas anuales teniendo en consideración la totalidad de los principios y normas contables de aplicación obligatoria que tienen un efecto significativo en dichas cuentas anuales. No existe ningún principio contable que siendo obligatorio, haya dejado de aplicarse. No se han aplicado principios contables no obligatorios.

2.4 Aspectos críticos de la valoración y estimación de la incertidumbre

En la preparación de las cuentas anuales de la Sociedad, los Administradores han realizado estimaciones que están basadas en la experiencia histórica y en otros factores que se consideran razonables de acuerdo con las circunstancias actuales y que constituyen la base para establecer el valor contable de los activos y pasivos cuyo valor no es fácilmente determinable mediante otras fuentes. Básicamente estas estimaciones se refieren a:

1. El valor de mercado de los activos netos adquiridos en combinaciones de negocio (véase Nota 5).
2. El valor de mercado de los activos inmobiliarios de la Sociedad (véase Notas 4.1 y 4.2). La Sociedad ha obtenido valoraciones de expertos independientes al 31 de diciembre de 2017.
3. La evaluación de posibles pérdidas por deterioro de determinados activos (véase Nota 4.4).
4. El valor razonable de determinados instrumentos financieros (véase Nota 4.4).
5. La evaluación de las provisiones y contingencias (véase Nota 4.10).
6. La gestión del riesgo financiero y en especial el riesgo de liquidez (véase Nota 23).
7. La definición de las transacciones realizadas por la Sociedad como una combinación de negocios acorde a la norma de registro y valoración 19º del Plan General Contable o como una adquisición de activos.
8. El cumplimiento de los requisitos que regulan a las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (véase Nota 23).

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.

Al 31 de diciembre de 2017, la Sociedad Dominante no cumple el requisito asociado a la incorporación de sus acciones al mercado bursátil, cuya fecha límite es el 22 de septiembre de 2018. En este sentido, el Consejo de Administración ha aprobado en su sesión del 30 de noviembre de 2017, el inicio del proceso que permitirá incorporar las acciones de la Sociedad al mercado continuo en los próximos meses. Por este motivo, y considerando el apoyo de los Accionistas, los Administradores de la Sociedad estiman que el requisito de cotización junto con el resto de requisitos exigidos para poder aplicar el régimen fiscal especial, se cumplirán según los términos establecidos por la normativa vigente, y que la Sociedad permanecerá acogida al régimen SOCIMI.

A pesar de que estas estimaciones se han realizado sobre la base de la mejor información disponible al cierre del ejercicio 2017, es posible que acontecimientos que puedan tener lugar en el futuro obliguen a modificarlas (al alza o a la baja) en los próximos ejercicios, lo que se realizaría, en su caso, de forma prospectiva.

2.5 Agrupación de partidas

Determinadas partidas del balance, de la cuenta de pérdidas y ganancias, del estado de cambios en el patrimonio neto y del estado de flujos de efectivo se presentan de forma agrupada para facilitar su comprensión, si bien, en la medida en que sea significativa, se ha incluido la información desagregada en las correspondientes notas de la memoria.

2.6 Corrección de errores

En la elaboración de las cuentas anuales adjuntas no se ha detectado ningún error significativo que haya supuesto la re-expresión de los importes incluidos en las cuentas anuales del ejercicio 2016.

2.7 Cambios en estimaciones y criterios contables

El efecto de cualquier cambio en estimaciones contables, se registra en el mismo apartado de la cuenta de pérdidas y ganancias en que se encuentre registrado el gasto o ingreso con la estimación anterior de forma prospectiva.

Cambios en políticas contables y corrección de errores: el efecto de este tipo de cambios y correcciones se registra del siguiente modo: en aquellos casos que sean significativos, el efecto acumulado al inicio del ejercicio se ajusta en el epígrafe de reservas, y el efecto del propio ejercicio se registra en la cuenta de pérdidas y ganancias del ejercicio. En estos casos, se reexpresan los datos financieros del ejercicio comparativo presentado junto al ejercicio en curso.

2.8 Comparación de la información

La información contenida en esta memoria referida al ejercicio 2016 se presenta, a efectos comparativos, con la información del ejercicio 2017.

Tal y como se indica en la Nota 5, en septiembre del ejercicio 2016 tuvo lugar la fusión inversa entre los negocios residenciales de Merlin Properties, SOCIMI S.A. (Socio Único de la Sociedad a dicha fecha) y de Metrovacesa, S.A., siendo este último el negocio adquirente. Por este hecho, la cuenta de pérdidas y ganancias del ejercicio 2016 comprende únicamente el periodo desde la fecha de combinación de ambos negocios, tres meses y quince días, debido a que el negocio residencial de Metrovacesa, carecía de estados financieros separados, puesto que se integraban en los estados financieros de Metrovacesa, S.A.

2.9 Empresa en funcionamiento

Al 31 de diciembre de 2017 el fondo de maniobra de la Sociedad es negativo en un importe de 912 miles de euros, derivado fundamentalmente de la deuda contraída con su participada Testa Alquileres Urbanos, S.A.U. Los Administradores estiman que la deuda con su filial se renovara en el ejercicio 2018 por al menos un ejercicio, por lo que el fondo de maniobra descontando el efecto de la mencionada deuda ascendería a 50.823 miles de euros positivo.

	Miles de euros
	31.12.2017
Total Activos Corrientes	63.564
Total Pasivos Corrientes	(64.476)
Fondo de maniobra	(912)
Deudas con empresas del Grupo (Nota 21.2)	51.735
Fondo de maniobra ajustado	50.823

3. Aplicación de resultados

La propuesta de aplicación de las pérdidas correspondientes al presente ejercicio, formulada por los Administradores de la Sociedad y pendiente de aprobación por la Junta General de Accionistas, es la siguiente:

	Euros
Base del reparto:	
Pérdidas del ejercicio	(10.161.937,59)
Aplicación:	
A resultados negativos de ejercicios anteriores	(10.161.937,59)

3.1 Limitaciones relativas a la distribución de dividendos

La Sociedad está acogida al régimen especial de las Sociedades Anónimas Cotizadas de Inversión Inmobiliaria. Según lo establecido en el artículo 6 de la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre las SOCIMI que hayan optado por el régimen fiscal especial, estarán obligadas a distribuir sus beneficios 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 siguientes a la conclusión de cada ejercicio y pagarse dentro del mes siguiente a la fecha del acuerdo de distribución.

Por otro lado, tal y como indica la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre, las Sociedad deberá distribuir como dividendos:

- El 100% de los beneficios procedentes de dividendos o participaciones en beneficios distribuidos por las entidades a que se refiere el apartado 1 del artículo 2 de la Ley 11/2009.
- Al menos el 50% de los beneficios derivados de la transmisión de inmuebles y acciones o participaciones a que se refiere el apartado 1 del artículo 2 de la Ley 11/2009, realizadas una vez transcurridos los plazos a que se refiere el apartado 2 del artículo 3 de la Ley 11/2009, afectos al cumplimiento de su objeto social principal. El resto de estos beneficios deberán 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, estos 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.
- Al menos el 80% 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 en la forma descrita anteriormente.

4. Normas de registro y valoración

Las principales normas de registro y valoración utilizadas por la Sociedad en la elaboración de sus cuentas anuales del ejercicio 2017, son las siguientes:

4.1 Inmovilizado intangible

Como norma general, el inmovilizado intangible se valora inicialmente por su precio de adquisición o coste de producción. Posteriormente se valora a su coste minorado por la correspondiente amortización acumulada y, en su caso, por las pérdidas por deterioro que haya experimentado. Dichos activos se amortizan en función de la vida útil. Cuando la vida útil de estos activos no puede estimarse de manera fiable se amortizan en un plazo de diez años.

Las ganancias o pérdidas derivadas de la baja de un activo intangible se valoran como la diferencia entre los recursos netos obtenidos de la enajenación y el valor en libros del activo, y se registran en la cuenta de pérdidas y ganancias cuando el activo es dado de baja.

Aplicaciones informáticas

La Sociedad registra en este epígrafe los costes incurridos en la adquisición y desarrollo de programas informáticos, incluidos los costes de desarrollo de las páginas web. Los costes de mantenimiento de las aplicaciones informáticas se registran en la cuenta de pérdidas y ganancias del ejercicio en que se incurren. La amortización de las aplicaciones informáticas se realiza aplicando el método lineal durante un periodo de 3 años.

Proyectos concesionales

En este epígrafe se recogen las concesiones administrativas y se contabilizan a su coste de adquisición o producción menos la amortización acumulada y las pérdidas por deterioro acumuladas existentes.

La concesión administrativa registrada en la integración de negocios descrita en la Nota 5 se ha registrado al valor razonable a la fecha de dicha integración y se amortiza linealmente durante los años de la concesión.

Las ganancias o pérdidas derivadas de la baja de un proyecto concesional se valoran como la diferencia entre los recursos netos obtenidos de la enajenación y el valor en libros del activo, y se registran en la cuenta de pérdidas y ganancias cuando el activo es dado de baja.

Dentro de este epígrafe se incluye la concesión denominada "Bentaberri" situada en San Sebastián (Guipúzcoa), se amortiza linealmente en el periodo de concesión, la cual finaliza en el año 2069, con una duración total de 75 años. Esta concesión fue otorgada por el Gobierno Vasco.

Deterioro del valor de activos intangibles e inversiones inmobiliarias:

Siempre que existan indicios de pérdida de valor de los activos intangibles de vida útil definida, correspondiendo a tal calificación la totalidad de los activos intangibles de la Sociedad e inversiones inmobiliarias, la Sociedad procede a estimar mediante el denominado "test de deterioro" la posible existencia de pérdidas de valor que reduzcan el valor recuperable de dichos activos a un importe inferior al de su valor en libros.

El importe recuperable se determina como el mayor importe entre el valor razonable menos los costes de venta y el valor en uso. En particular, para la totalidad de las concesiones e inversiones inmobiliarias el importe recuperable se determina a partir de la valoración de un experto independiente, no vinculado a la Sociedad. La metodología utilizada para determinar el valor razonable de los activos se detalla en la Nota 7.

Cuando una pérdida por deterioro de valor se revierte posteriormente, el importe en libros del activo se incrementa a la estimación revisada de su importe recuperable, pero de tal modo que el importe en libros incrementado no supere el importe en libros que se habría determinado de no haberse reconocido ninguna pérdida por deterioro de valor para el activo en ejercicios anteriores. Dicha reversión de una pérdida por deterioro de valor se reconoce como ingreso.

4.2 Inversiones inmobiliarias

El epígrafe inversiones inmobiliarias del balance de situación recoge los valores de terrenos, edificios y otras construcciones que se mantienen bien, para explotarlos en régimen de alquiler, bien para obtener una plusvalía en su venta como consecuencia de los incrementos que se produzcan en el futuro en sus respectivos precios de mercado.

Las inversiones inmobiliarias se valoran al precio de adquisición, que incluyen los costes directamente atribuibles que son necesarios para su puesta en funcionamiento y la estimación inicial de los costes de desmantelamiento, incluyendo los costes asociados a la transacción. Posteriormente al reconocimiento inicial, la Sociedad contabiliza las inversiones inmobiliarias a su valor de coste y se minoran por la correspondiente amortización acumulada y las pérdidas por deterioro, si las hubiera, conforme al criterio mencionado en la Nota 4.1.

Los bienes de inmovilizado recibidos en concepto de aportación no dineraria de capital serán valorados por su valor razonable en el momento de la aportación.

La amortización de estos elementos se realiza de manera sistemática y racional en función de la vida útil de los bienes y de su valor residual, atendiendo a la depreciación que normalmente sufran por su funcionamiento, uso y disfrute, sin perjuicio de considerar también la obsolescencia técnica o comercial que pudiera afectarlos. Para el cálculo de la amortización de las inversiones inmobiliarias se utiliza el método lineal en función de los años de vida útil estimados. Los porcentajes anuales de amortización aplicados sobre los respectivos valores de coste actualizado, en los casos que procede, así como los años de vida útil estimados, son los siguientes:

	Años de vida útil Estimados
Inmuebles para arrendamiento	30 – 70

Los costes financieros directamente atribuibles a la adquisición o desarrollo de las inversiones inmobiliarias se capitalizan cuando los activos requieran un periodo superior a un año para estar en condiciones de uso. Durante el ejercicio 2017, la Sociedad no se ha capitalizado gastos financieros.

El inmovilizado en curso no comienza a amortizarse hasta su entrada en funcionamiento, momento en que se traspa a su correspondiente cuenta de inversiones inmobiliarias, según su naturaleza.

Las inversiones inmobiliarias se dan de baja cuando se enajenan o se retiran de forma permanente del uso y no se esperan beneficios económicos futuros de su enajenación. Las ganancias o pérdidas por el retiro o la enajenación de la inversión se reconocen en la cuenta de pérdidas y ganancias del periodo en que se produce dicho retiro o enajenación.

Las plusvalías o incrementos netos del valor resultante de las operaciones de actualización y de las asignaciones de plusvalías como consecuencia de combinaciones de negocios se amortizan en los ejercicios que restan por completar la vida útil de los elementos patrimoniales actualizados.

Los gastos de conservación y mantenimiento de los diferentes elementos que componen las inversiones inmobiliarias se imputan a la cuenta de pérdidas y ganancias del ejercicio en que se incurren. Por el contrario, los importes invertidos en mejoras que contribuyen a aumentar la capacidad o eficiencia o a alargar la vida útil de dichos bienes se registran como mayor coste de los mismos.

La Sociedad estima los deterioros sobre las inversiones inmobiliarias en base al valor razonable obtenido de la tasación del experto independiente, no vinculado a la Sociedad. La metodología utilizada para determinar el valor razonable de los activos se detalla en la Nota 7.

4.3 Arrendamientos

Los arrendamientos se clasifican como arrendamientos financieros siempre que de las condiciones de los mismos se deduzca que se transfieren al arrendatario sustancialmente los riesgos y beneficios inherentes a la propiedad del activo objeto del contrato. Los demás arrendamientos se clasifican como arrendamientos operativos. La Sociedad no mantiene arrendamientos financieros.

Arrendamiento operativo:

En las operaciones de arrendamiento operativo, la propiedad del bien arrendado y, sustancialmente todos los riesgos y beneficios que recaen sobre el bien, los tiene el arrendador.

Si la Sociedad actúa como arrendador los ingresos y gastos derivados de los acuerdos de arrendamiento operativo se cargan a la cuenta de pérdidas y ganancias en el ejercicio que se devengan. Asimismo, el coste de adquisición del bien arrendado se presenta en el balance conforme a su naturaleza, incrementado por el importe de los costes del contrato directamente imputables, los cuales se reconocen como gasto en el plazo del contrato, aplicando el mismo criterio utilizado para el reconocimiento de los ingresos por arrendamiento.

Si la Sociedad actúa como arrendatario, los gastos derivados de los acuerdos de arrendamiento operativo se cargan a la cuenta de pérdidas y ganancias en el ejercicio en que se devengan. Cualquier cobro o pago que pudiera realizarse al contratar un arrendamiento operativo, se tratará como un cobro o pago anticipado que se imputará a resultados a lo largo del periodo del arrendamiento, a medida que se cedan o reciban los beneficios del activo arrendado.

4.4 Activos financieros

Clasificación

Los activos financieros que posee la Sociedad se clasifican en las siguientes categorías:

- a) Préstamos y partidas a cobrar: activos financieros originados en la venta de bienes o en la prestación de servicios por operaciones de tráfico de la empresa, o los que no teniendo un origen comercial, no son instrumentos de patrimonio ni derivados y cuyos cobros son de cuantía fija o determinable y no se negocian en un mercado activo. Los ingresos por intereses se registran en el ejercicio en que se devengan, siguiendo un criterio financiero.
- b) Inversiones en el patrimonio de empresas del Grupo, asociadas y multigrupo: se consideran empresas del grupo aquellas vinculadas con la Sociedad por una relación de control, y empresas asociadas aquellas sobre las que la Sociedad ejerce una influencia significativa. Adicionalmente, dentro de la categoría de multigrupo se incluye a aquellas sociedades sobre las que, en virtud de un acuerdo, se ejerce un control conjunto con uno o más socios.
- c) Inversiones mantenidas hasta el vencimiento: valores representativos de deuda, con fecha de vencimiento fijada y cobros de cuantía determinable, que se negocian en un mercado activo y sobre los que la Sociedad manifiesta su intención y capacidad para conservarlos en su poder hasta la fecha de su vencimiento.

Valoración inicial

Los activos financieros se registran, en términos generales, inicialmente al valor razonable de la contraprestación entregada más los costes de la transacción que sean directamente atribuibles.

Los acuerdos de concesión cuya contraprestación recibida consista en un derecho incondicional a recibir efectivo u otro activo financiero, se califican como un activo financiero dentro de la categoría de préstamos y partidas a cobrar. Estos se valoran inicialmente por el valor razonable del servicio prestado, que en principio equivale al coste más el margen de construcción.

Desde el 1 de enero de 2010, en el caso de inversiones en el patrimonio de empresas del grupo que otorgan

control sobre la sociedad dependiente, los honorarios abonados a asesores legales u otros profesionales relacionados con la adquisición de la inversión se imputan directamente a la cuenta de pérdidas y ganancias.

Valoración posterior

Los préstamos, partidas a cobrar, acuerdos de concesión e inversiones mantenidas hasta el vencimiento se valoran por su coste amortizado. No obstante, los créditos por operaciones comerciales con vencimiento no superior a un año y que no tienen un tipo de interés contractual, así como los anticipos y créditos al personal, los dividendos a cobrar y los desembolsos exigidos sobre instrumentos de patrimonio, cuyo importe se espera recibir en el corto plazo, se valoran inicialmente y posteriormente por su valor nominal, cuando el efecto de no actualizar los flujos de efectivo no es significativo.

En el caso de los acuerdos de concesión calificados como activos financieros, las actuaciones de reposiciones, de grandes reparaciones, las necesarias para revertir y/o conservar la infraestructura, así como las mejoras o ampliaciones de capacidad originan el reconocimiento del correspondiente activo financiero. Los gastos financieros devengados hasta que la infraestructura está en condiciones de explotación, así como los que se produzcan con posterioridad se imputan a la cuenta de pérdidas y ganancias en el momento de su devengo.

Al menos al cierre del ejercicio la Sociedad realiza un test de deterioro para los activos financieros que no están registrados a valor razonable. Se considera que existe evidencia objetiva de deterioro si el valor recuperable del activo financiero es inferior a su valor en libros. Cuando se produce, el efecto de este deterioro se registra en la cuenta de pérdidas y ganancias.

Los activos financieros mantenidos para negociar se valoran a su valor razonable, registrándose en la cuenta de pérdidas y ganancias el resultado de las variaciones en dicho valor razonable.

Las inversiones en empresas del grupo, asociadas y multigrupo se valoran por su coste, minorado, en su caso, por el importe acumulado de las correcciones valorativas por deterioro. Dichas correcciones se calculan como la diferencia entre su valor en libros y el importe recuperable, entendido éste como el mayor importe entre su valor razonable menos los costes de venta y el valor actual de los flujos de efectivo futuros derivados de la inversión. Salvo mejor evidencia del importe recuperable, se toma en consideración el patrimonio neto de la entidad participada, corregido por las plusvalías tácitas existentes en la fecha de la valoración (incluyendo el fondo de comercio, si lo hubiera).

Las correcciones valorativas por deterioro y, en su caso, su reversión, se registran como un gasto o un ingreso respectivamente, en la cuenta de pérdidas y ganancias. La reversión del deterioro tiene como límite el valor original en libros de la inversión.

Se consideran empresas del Grupo cuando los estatutos sociales u otros acuerdos otorgan a Testa Residencial, SOCIMI, S.A. el control de la participada, y son empresas asociadas cuando la participación se encuentra por encima del 20% y existe influencia significativa en la gestión.

La Sociedad es cabecera de un Grupo de sociedades, sobre las que tiene participación directa, que se detallan en la Nota 10. Las principales magnitudes de las cuentas anuales del Grupo Testa Residencial, SOCIMI, S.A. y sociedades dependientes, correspondientes al ejercicio 2017, elaboradas de acuerdo con lo establecido en las Normas Internacionales de Información Financiera adoptadas por la Unión Europea, son las siguientes:

	Miles de Euros
	2017
Total activo	2.356.079
Patrimonio neto:	
De la Sociedad Dominante	1.393.752
De los accionistas minoritarios	772
Importe neto de la cifra de negocios	52.943
Resultado del ejercicio:	
De la Sociedad Dominante	70.146
De los accionistas minoritarios	40

La Sociedad da de baja los activos financieros cuando expiran o se han cedido los derechos sobre los flujos de efectivo del correspondiente activo financiero y se han transferido sustancialmente los riesgos y beneficios inherentes a su propiedad, tales como en ventas en firme de activos, cesiones de créditos comerciales en operaciones de "factoring" en las que la empresa no retiene ningún riesgo de crédito ni de interés, las ventas de activos financieros con pacto de recompra por su valor razonable o las titulizaciones de activos financieros en las que la empresa cedente no retiene financiaciones subordinadas ni concede ningún tipo de garantía o asume algún otro tipo de riesgo.

Por el contrario, la Sociedad no da de baja los activos financieros, y reconoce un pasivo financiero por un importe igual a la contraprestación recibida, en las cesiones de activos financieros en las que se retenga sustancialmente los riesgos y beneficios inherentes a su propiedad, tales como el descuento de efectos, el "factoring con recurso", las ventas de activos financieros con pactos de recompra a un precio fijo o al precio de venta más un interés y las titulizaciones de activos financieros en las que la empresa cedente retiene financiaciones subordinadas u otro tipo de garantías que absorben sustancialmente todas las pérdidas esperadas.

4.5 Pasivos financieros

Son pasivos financieros aquellos débitos y partidas a pagar que tiene la Sociedad y que se han originado en la compra de bienes y servicios por operaciones de tráfico de la empresa, o también aquellos que sin tener un origen comercial, no pueden ser considerados como instrumentos financieros derivados.

Los débitos y partidas a pagar se valoran inicialmente al valor razonable de la contraprestación recibida, ajustada por los costes de la transacción directamente atribuibles. Con posterioridad, dichos pasivos se valoran de acuerdo con su coste amortizado.

Los instrumentos financieros derivados de pasivo se valoran a su valor razonable, siguiendo los mismos criterios que los correspondientes a los activos financieros mantenidos para negociar descritos en el apartado anterior.

La Sociedad da de baja los pasivos financieros cuando se extinguen las obligaciones que los han generado.

4.6 Instrumentos financieros derivados y contabilización de operaciones de cobertura

La Sociedad utiliza instrumentos financieros derivados para cubrir los riesgos a los que se encuentran expuestas sus actividades, operaciones y flujos de efectivo futuros. Fundamentalmente, estos riesgos son de variaciones de los tipos de interés. En el marco de dichas operaciones la Sociedad contrata instrumentos financieros de cobertura.

Para que estos instrumentos financieros puedan calificar como de cobertura contable, son designados inicialmente como tales documentándose la relación de cobertura. Asimismo, la Sociedad verifica inicialmente y de forma periódica a lo largo de su vida (como mínimo en cada cierre contable) que la relación de cobertura es eficaz, es decir, que es esperable prospectivamente que los cambios en el valor razonable o en los flujos de efectivo de la partida cubierta (atribuibles al riesgo cubierto) se compensen casi completamente por los del instrumento de cobertura y que, retrospectivamente, los resultados de la cobertura hayan oscilado dentro de un rango de variación del 80 al 125% respecto del resultado de la partida cubierta.

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La Sociedad aplica los siguientes tipos de cobertura, que se contabilizan tal y como se describe a continuación:

- Coberturas de flujos de efectivo: En este tipo de coberturas, la parte de la ganancia o pérdida del instrumento de cobertura que se haya determinado como cobertura eficaz se reconoce transitoriamente en el patrimonio neto, imputándose en la cuenta de pérdidas y ganancias en el mismo período en que el elemento que está siendo objeto de cobertura afecta al resultado, salvo que la cobertura corresponda a una transacción prevista que termine en el reconocimiento de un activo o pasivo no financiero, en cuyo caso los importes registrados en el patrimonio neto se incluirán en el coste del activo o pasivo cuando sea adquirido o asumido.

La contabilización de coberturas es interrumpida cuando el instrumento de cobertura vence, o es vendido, finalizado o ejercido, o deja de cumplir los criterios para la contabilización de coberturas. En ese momento, cualquier beneficio o pérdida acumulada correspondiente al instrumento de cobertura que haya sido registrado en el patrimonio neto se mantiene dentro del patrimonio neto hasta que se produzca la operación prevista. Cuando no se espera que se produzca la operación que está siendo objeto de cobertura, los beneficios o pérdidas acumulados netos reconocidos en el patrimonio neto se transfieren a los resultados netos del período.

4.7 Instrumentos de patrimonio

Un instrumento de patrimonio representa una participación residual en el patrimonio neto de la Sociedad, una vez deducidos todos sus pasivos. Los instrumentos de capital emitidos por la Sociedad se registran en el patrimonio neto por el importe recibido, neto de los gastos de emisión.

La adquisición de instrumentos de patrimonio de la Sociedad se presenta por el coste de adquisición de forma separada como una minoración del patrimonio neto en el balance de situación, con independencia del motivo que justificó su adquisición. En las transacciones realizadas con instrumentos de patrimonio propio no se reconoce ningún resultado.

La amortización posterior de los instrumentos de patrimonio de la Sociedad, da lugar a una reducción de capital por el importe del nominal de dichas acciones y la diferencia positiva o negativa entre el precio de adquisición y el nominal de las acciones se carga o abona a cuentas de reservas.

Los costes de transacción relacionados con instrumentos de patrimonio propio, se registran como una minoración del patrimonio neto, una vez considerado cualquier efecto fiscal.

4.8 Impuesto sobre beneficios

4.8.1 Régimen general

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 corresponden con el reconocimiento y la cancelación de los activos y pasivos por impuesto diferido. Estos 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.

Se reconocen pasivos por impuesto diferido 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.

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.

Los activos y pasivos por impuesto diferido, 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 y éstos son objeto de reconocimiento en la medida en que pase a ser probable su recuperación con beneficios fiscales futuros.

4.8.2 Régimen SOCIMI

El régimen fiscal especial de las SOCIMI, tras su modificación por la Ley 16/2012, de 27 de diciembre, se construye sobre la base de una tributación a un tipo del 0 por ciento en el Impuesto sobre Sociedades, siempre que se cumplan determinados requisitos. Entre ellos, merece la pena destacar la necesidad de que su activo, al menos en un 80 por ciento, esté constituido por inmuebles urbanos destinados al arrendamiento y adquiridos en plena propiedad o por participaciones en sociedades que cumplan los mismos requisitos de inversión y de distribución de resultados, españolas o extranjeras, coticen o no en mercados organizados. Igualmente, las principales fuentes de rentas de estas entidades deben provenir del mercado inmobiliario, ya sea del alquiler, de la posterior venta de inmuebles tras un período mínimo de alquiler o de las rentas procedentes de la participación en entidades de similares características. No obstante, el devengo del impuesto se realiza de manera proporcional a la distribución de dividendos. Los dividendos percibidos por los socios estarán exentos, salvo que el perceptor sea una persona jurídica sometida al Impuesto sobre Sociedades o un establecimiento permanente de una entidad extranjera, en cuyo caso se establece una deducción en la cuota íntegra, de manera que estas rentas tributen al tipo de gravamen del socio. Sin embargo, el resto de rentas no serán gravadas mientras no sean objeto de distribución a los socios.

Tal y como establece la Disposición transitoria novena 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, la entidad estará sometida a un tipo de gravamen especial del 19 por ciento sobre el importe íntegro de los dividendos o participaciones en beneficios distribuidos a los socios cuya participación en el capital social de la entidad sea igual o superior a un 5 por ciento, cuando dichos dividendos, en sede de sus socios, estén exentos o tributen a un tipo de gravamen inferior al 10 por ciento. En este sentido, la Sociedad tiene establecido el procedimiento a través del cual se garantiza la confirmación por parte de los accionistas de su tributación procediendo, en su caso, a retener el 19% del importe del dividendo distribuido a los accionistas que no cumplan con los requisitos fiscales mencionados anteriormente.

4.9 Ingresos y gastos

Los ingresos y 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. Dichos ingresos se valoran por el valor razonable de la contraprestación recibida, deducidos descuentos e impuestos.

Ingresos por ventas y prestaciones de servicios

El reconocimiento de los ingresos por ventas se produce en el momento en que se han transferido al comprador los riesgos y beneficios significativos inherentes a la propiedad del bien vendido, no manteniendo la gestión corriente sobre dicho bien, ni reteniendo el control efectivo sobre el mismo.

Los ingresos por arrendamiento se registran en función de su devengo, distribuyéndose linealmente los beneficios en concepto de incentivos y los costes iniciales de los contratos de arrendamiento.

Los intereses recibidos de activos financieros se reconocen utilizando el método del tipo de interés efectivo, y los dividendos cuando se declara el derecho del accionista a recibirlos. En cualquier caso, los intereses y dividendos de activos financieros devengados con posterioridad al momento de la adquisición se reconocen como ingresos en la cuenta de pérdidas y ganancias.

4.10 Provisiones y contingencias

Los Administradores de la Sociedad en la formulación de las cuentas anuales diferencian entre:

- a) Provisiones: saldos acreedores que cubren obligaciones actuales derivadas de sucesos pasados, cuya cancelación es probable que origine una salida de recursos, pero que resultan indeterminados en cuanto a su importe y/ o momento de cancelación.
- b) Pasivos contingentes: obligaciones posibles surgidas como consecuencia de sucesos pasados, cuya materialización futura está condicionada a que ocurra, o no, uno o más eventos futuros independientes de la voluntad de la Sociedad.

Las cuentas anuales recogen todas las provisiones con respecto a las cuales se estima que la probabilidad de que se tenga que atender la obligación es mayor que de lo contrario. Salvo que sean considerados como remotos, los pasivos contingentes no se reconocen en las cuentas anuales sino que se informa sobre los mismos en las notas de la memoria.

Las provisiones se valoran por el valor actual de la mejor estimación posible del importe necesario para cancelar o transferir la obligación, teniendo en cuenta la información disponible sobre el suceso y sus consecuencias, y registrándose los ajustes que surjan por la actualización de dichas provisiones como un gasto financiero conforme se va devengando.

La compensación a recibir de un tercero en el momento de liquidar la obligación, siempre que no existan dudas de que dicho reembolso será percibido, se registra como activo, excepto en el caso de que exista un vínculo legal por el que se haya exteriorizado parte del riesgo, y en virtud del cual la Sociedad no esté obligada a responder; en esta situación, la compensación se tendrá en cuenta para estimar el importe por el que, en su caso, figurará la correspondiente provisión.

4.11 Indemnizaciones por despido

De acuerdo con la legislación vigente, la Sociedad está obligada al pago de indemnizaciones a aquellos empleados con los que, bajo determinadas condiciones, rescinda sus relaciones laborales. Por tanto, las indemnizaciones por despido susceptibles de cuantificación razonable se registran como gasto en el ejercicio en el que se adopta la decisión del despido. En las cuentas anuales de los ejercicios 2017 y 2016 no se ha registrado provisión alguna por este concepto, ya que no están previstas situaciones de esta naturaleza.

4.12 Combinaciones de negocios

Las combinaciones de negocios se contabilizan aplicando el método de adquisición para lo cual se determina la fecha de adquisición y se calcula el coste de la combinación, registrándose los activos identificables adquiridos y los pasivos asumidos a su valor razonable referido a dicha fecha.

El coste de la combinación se determina por la agregación de:

- Los valores razonables en la fecha de adquisición de los activos cedidos, los pasivos incurridos o asumidos y los instrumentos de patrimonio emitidos.
- El valor razonable de cualquier contraprestación contingente que depende de eventos futuros o del cumplimiento de condiciones predeterminadas.

No forman parte del coste de la combinación los gastos relacionados con la emisión de los instrumentos de patrimonio o de los pasivos financieros entregados a cambio de los elementos adquiridos.

Asimismo, tampoco forman parte del coste de la combinación los honorarios abonados a asesores legales u otros profesionales que hayan intervenido en la combinación ni por supuesto los gastos generados internamente por estos conceptos. Dichos importes se imputan directamente en la cuenta de pérdidas y ganancias.

En el supuesto excepcional de que surja una diferencia negativa en la combinación ésta se imputa a la cuenta de pérdidas y ganancias como un ingreso.

Si en la fecha de cierre del ejercicio en que se produce la combinación no pueden concluirse los procesos de valoración necesarios para aplicar el método de adquisición descrito anteriormente, esta contabilización se considera provisional, pudiéndose ajustar dichos valores provisionales en el período necesario para obtener la información requerida que en ningún caso será superior a un año. Los efectos de los ajustes realizados en este período se contabilizan retroactivamente modificando la información comparativa si fuera necesario.

Los cambios posteriores en el valor razonable de la contraprestación contingente se ajustan contra resultados, salvo que dicha contraprestación haya sido clasificada como patrimonio en cuyo caso los cambios posteriores en su valor razonable no se reconocen.

4.13 Negocios conjuntos

Las participaciones en Uniones Temporales de Empresas se han integrado en las cuentas anuales adjuntas en función del porcentaje de participación en los activos, pasivos, ingresos y gastos derivados de las operaciones realizadas por las mismas, eliminando los saldos recíprocos en activos y pasivos, así como, los ingresos, gastos y resultados no realizados frente a terceros.

Dicha Unión Temporal de Empresas, denominada UTE Benta Berri, se constituyó en Madrid el 10 de octubre de 1994 con domicilio social en San Sebastián, Polígono Benta-Berri, parcela 5. Dicha Unión Temporal de Empresas está participada en un 50% por Testa Alquileres Urbanos, S.L.U. y en un 50% por la Sociedad. Su objeto social es la construcción de viviendas de Protección Oficial, trasteros, garajes y locales comerciales para su subsiguiente gestión en régimen de alquiler y posterior venta en el sector de Benta-Berri del Plan General de Ordenación Urbana de San Sebastián, todo ello según el acuerdo del Gobierno Vasco de 15 de septiembre de 1994 por el cual se le adjudicó la concesión administrativa con duración de 75 años para la promoción concertada de 540 viviendas de protección oficial en el Polígono de Benta-Berri en San Sebastián.

Actualmente, la UTE Benta Berri se encarga de la gestión de los alquileres de las viviendas descritas en la Nota 6. La aportación en los distintos epígrafes del balance de situación y de la cuenta de pérdidas y ganancias del ejercicio 2017 derivada de la integración de la Unión Temporal de Empresas, no son relevantes para el conjunto de la Sociedad.

4.14 Transacciones con vinculadas

La Sociedad realiza todas sus operaciones con vinculadas a valores de mercado y de acuerdo con las condiciones reflejadas en los contratos. Los Administradores de la Sociedad consideran que no existen riesgos significativos por este aspecto de los que puedan derivarse pasivos de consideración en el futuro.

4.15 Partidas corrientes y no corrientes

Se consideran activos corrientes aquellos vinculados al ciclo normal de explotación que con carácter general se considera de un año, también aquellos otros activos cuyo vencimiento, enajenación o realización se espera que se produzca en el corto plazo desde la fecha de cierre del ejercicio, los activos financieros mantenidos para negociar, con la excepción de los derivados financieros cuyo plazo de liquidación sea superior al año y el efectivo y otros activos líquidos equivalentes. Los activos que no cumplen estos requisitos se califican como no corrientes.

Del mismo modo, son pasivos corrientes los vinculados al ciclo normal de explotación, los pasivos financieros mantenidos para negociar, con la excepción de los derivados financieros cuyo plazo de liquidación sea superior al año y en general todas las obligaciones cuya vencimiento o extinción se producirá en el corto plazo. En caso contrario, se clasifican como no corrientes.

4.16 Estado de flujos de efectivo

En el estado de flujos de efectivo, preparado de acuerdo al método indirecto, se utilizan las siguientes expresiones en los siguientes sentidos:

- Flujos de efectivo: entradas y salidas de dinero en efectivo y de sus equivalentes; entendiéndose por éstos las inversiones a corto plazo de gran liquidez y bajo riesgo de alteraciones en su valor.
- Actividades de explotación: actividades típicas de la Sociedad, 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 a largo plazo y otras inversiones no incluidas en el efectivo y sus 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.

5. Combinaciones de negocios y otras variaciones

5.1 Acuerdo de integración de los negocios residenciales de Metrovacesa, S.A. y la Sociedad.

Con fecha 21 de junio de 2016 Merlin Properties, SOCIMI, S.A. (Socio Único de la Sociedad a dicha fecha) firmó un acuerdo de integración con Metrovacesa, S.A. y sus principales accionistas (Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A. y Banco Popular Español, S.A.) con el objetivo de crear una de las principales sociedades inmobiliarias españolas de activos residenciales en alquiler. Con fecha 26 de agosto de 2016 la integración fue aprobada por las autoridades de defensa de la competencia española y el 15 de septiembre de 2016 fue aprobada por las Juntas Generales de Accionistas de Merlin Properties, SOCIMI S.A. (Socio Único de la Sociedad a dicha fecha) y Metrovacesa, S.A. Los acuerdos tomados por las respectivas juntas fueron inscritos en el Registro Mercantil el 26 de octubre de 2016.

La operación se articuló a través de la escisión total de Metrovacesa, S.A. produciéndose la extinción de dicha entidad y la integración con la Sociedad de la unidad de negocio residencial de Metrovacesa, consistente en el patrimonio de bienes inmuebles de uso residencial destinados a su explotación en arrendamiento (incluyendo parte del personal del grupo Metrovacesa y los activos residenciales, acciones o participaciones de sociedades filiales o participadas, contratos y en general todos los activos y pasivos no financieros de Metrovacesa asociados al patrimonio residencial y adicionalmente, 250 millones de euros de deuda financiera). Como contraprestación por el negocio recibido, la Sociedad llevó a cabo una ampliación de capital social mediante la emisión de 3.075.278.154 acciones de 1 céntimo de euros de valor nominal cada una de ellas, con una prima de emisión de 13 céntimos de euro por acción emitida. Esta ampliación fue suscrita íntegramente por los accionistas de Metrovacesa, S.A. Como resultado de esta transacción, los accionistas de Metrovacesa, S.A. adquirieron el 65,76 % del capital social de la Sociedad (Banco Santander 46,21%, Banco Bilbao Vizcaya Argentaria 13,34% y Banco Popular 6,21%).

Desde el punto de vista del registro contable de la operación, deben considerarse los siguientes aspectos:

- La integración de los negocios residenciales de Testa Residencial y Metrovacesa, de acuerdo con lo establecido en el Plan General de Contabilidad, es una adquisición inversa en la que los accionistas de Metrovacesa adquieren el control sobre Testa Residencial, si bien es esta última entidad jurídica la que subsiste.
- En cuanto al registro y valoración de la combinación de negocios deben considerarse las siguientes implicaciones:
 - a) Los activos y pasivos del negocio residencial de Metrovacesa, S.A. se registraron a su valor en los libros individuales.

- b) Los activos netos de Testa Residencial (negocio económicamente adquirido) se incorporaron por su valor razonable a la fecha de la combinación de negocios. El resumen de estos valores es el siguiente:

	Miles de euros		
	Valor en Libros	Ajuste de Valor	Valor Incorporado
Inmovilizado intangible	14.149	65.943	80.092
Inversiones inmobiliarias	116.671	139.153	255.824
Acuerdos concesionales	3.392	759	4.151
Otros activos no corrientes	1.997	-	1.997
Activos por impuesto diferido	266	-	266
Activos corrientes	2.420	-	2.420
Pasivos por impuesto diferido	-	(43.216)	(43.216)
Pasivos no corrientes	(112.750)	-	(112.750)
Pasivos corrientes	(2.403)	-	(2.403)
Total activos netos	23.742	162.639	186.381
Valor razonable de la contraprestación transferida (a)			186.381
Diferencia negativa en la combinación/(Fondo de Comercio)			-

(a) Basado en el número de instrumentos de patrimonio del negocio residencial de Metrovacesa S.A. que habría sido necesario emitir para dar a Merlin Properties, SOCIMI, S.A. un 34,33% en la entidad combinada que surge de la adquisición inversa.

De acuerdo con lo establecido por las normas contables en relación con las adquisiciones inversas, el patrimonio neto inicial de la sociedad combinada correspondió al del negocio residencial de Metrovacesa, más el incremento de patrimonio equivalente al valor razonable de los activos netos de Testa Residencial, SOCIMI, S.A., si bien, el capital social corresponde al de Testa Residencial, SOCIMI, S.A., sociedad que legalmente subsiste.

Para la estimación del valor razonable de los activos netos, cuya naturaleza es principalmente inmobiliaria, la Sociedad utilizó valoraciones realizadas por expertos independientes. El efecto fiscal estimado por los Administradores de la Sociedad asociado al reconocimiento del citado incremento de valor ha ascendido a 43.216 miles de euros, registrado en el epígrafe de "Pasivos por impuesto diferido" del balance adjunto.

Esta operación se ha acogido al régimen fiscal especial previsto en el capítulo VII del Título VII del artículo 89 de la Ley 27/2014, de 27 de noviembre del Impuesto sobre Sociedades. Los efectos fiscales procedentes de la combinación de negocios corresponden, fundamentalmente, a activos y pasivos por impuesto diferidos que ascendían a 266 y 43.216 miles de euros, respectivamente (véase Nota 18.2). Los negocios residenciales registrados en la mencionada combinación de negocios no han incorporado bases imponibles negativas ni deducciones pendientes de aplicar.

Los costes de transacción asociados en la operación ascendieron a 1.394 miles de euros y se registraron en la cuenta de pérdidas y ganancias del ejercicio 2016.

El valor razonable de las cuentas por cobrar reconocidas, principalmente de naturaleza comercial, ascendió a 184 miles de euros y no difiere de sus importes contractuales brutos. Los Administradores de la Sociedad no estimaron que a la fecha de adquisición hubiera indicios de que no se fueran a cobrar en su totalidad.

Flujo de caja neto en la adquisición-

	Miles de euros
Efectivo pagado	-
Tesorería y otros activos líquidos equivalentes incorporados	891
Total	891

5.2 Acuerdo de cesión global de activos y pasivos de Gesfontesta S.A.U.

Con fecha 18 de octubre de 2016 las Juntas Generales de Accionistas de Merlin Properties, SOCIMI, S.A. y Metrovacesa, S.A. acordaron estructurar el traspaso de Gesfontesta S.A.U., (sociedad dependiente del Grupo Merlin) a la Sociedad, mediante una cesión global de activos y pasivos por parte de Gesfontesta S.A.U. (Sociedad Cedente) a la Sociedad (Sociedad Cesionaria). Los acuerdos tomados por las respectivas juntas fueron inscritos en el Registro Mercantil el 19 de diciembre de 2016.

La operación se articuló a través de la cesión global de activo y pasivo de Gesfontesta, S.A.U. produciéndose la extinción de dicha sociedad y la incorporación de todos sus derechos y obligaciones a la Sociedad. Las magnitudes incorporadas a la Sociedad por la mencionada operación no fueron relevantes para el conjunto de la Sociedad.

6. Inmovilizado intangible.

El movimiento en los ejercicios 2017 y 2016 del epígrafe inmovilizado intangible es el siguiente:

Ejercicio 2017

	Miles de euros		
	31.12.2016	Adiciones/ Dotaciones	31.12.2017
Coste:			
Aplicaciones Informáticas	37	98	135
Proyectos Concesiones	80.055	25	80.080
Amortización Acumulada:			
Aplicaciones Informáticas	(3)	(33)	(36)
Proyectos Concesiones	(350)	(1.569)	(1.919)
Total Inmovilizado intangible	79.739		78.260

Ejercicio 2016

	Miles de euros		
	Integración de negocios	Adiciones/ Dotaciones	31.12.2016
Coste:			
Aplicaciones Informáticas	37	-	37
Proyectos Concesiones	80.055	-	80.055
Amortización Acumulada:			
Aplicaciones Informáticas	-	(3)	(3)
Proyectos Concesiones	-	(350)	(350)
Total Inmovilizado intangible	188.655	(353)	79.739

Los proyectos concesionales corresponden al 50% de la concesión administrativa del complejo de viviendas denominado "Bentaberri" situado en San Sebastián (Guipúzcoa). Este complejo de viviendas se explota bajo régimen de concesión administrativa concedida por el Gobierno Vasco por una duración total de 75 años con vencimiento en 2069.

Todo el inmovilizado intangible de la Sociedad se encuentra afecto a actividades empresariales propias de su actividad y está situado dentro del territorio nacional. Las concesiones de la Sociedad se corresponden con inmuebles destinados a su explotación en régimen de alquiler para uso de vivienda exclusivamente.

Al 31 de diciembre 2017 y 2016 la Sociedad explotaba en este epígrafe 23.651,03 metros cuadrados de superficie bruta alquilable con un grado de ocupación del 96,86% y 99%, respectivamente.

La Sociedad no tiene inmovilizado intangible completamente amortizado al cierre del ejercicio 2017 ni 2016.

A 31 de diciembre de 2017 la Sociedad, tiene bajo garantía hipotecaria el complejo de viviendas, en garantía de un préstamo de importe de 24.246 miles de euros (véase Nota 15).

La Sociedad tiene adecuadamente asegurado este inmovilizado.

Deterioro de valor

La determinación del valor razonable del proyecto concesional ha sido realizada por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC). La metodología utilizada para determinar el valor razonable del activo se detalla en la Nota 7.

El valor recuperable del proyecto concesional de la Sociedad al 31 de diciembre de 2017 calculado en función de las valoraciones realizadas por Savills Consultores Inmobiliarios, S.A, no vinculados a la Sociedad, asciende a 82.352 miles de euros (81.410 miles de euros al 31 de diciembre de 2016). De acuerdo con esta valoración del experto independiente, no hay activos cuyo valor recuperable sea inferior al valor neto en libros.

Ingresos y gastos relacionados

El ingreso del ejercicio 2017 derivados de renta proveniente de las concesiones de la Sociedad ascendieron a 1.993 miles de euros (546 miles de euros en el ejercicio 2016) y los gastos de explotación por todos los conceptos relacionados con las mismas ascendieron a 180 miles de euros (75 miles de euros en el ejercicio 2016).

7. Inversiones inmobiliarias

La composición y el movimiento de este epígrafe durante los ejercicios 2017 y 2016 se muestran a continuación:

Ejercicio 2017

	Miles de euros			
	31.12.2016	Adiciones/ Dotaciones	Retiros	31.12.2017
Coste:				
Inmuebles para arrendamiento	888.351	723.706	(4.085)	1.607.972
Amortización Acumulada:				
Inmuebles para arrendamiento	(1.940)	(12.381)	13	(14.308)
Deterioro				
Inmuebles para arrendamiento	-	(2.653)	-	(2.653)
Inversiones inmobiliarias	886.411	708.672	(4.072)	1.591.011

Ejercicio 2016

	Miles de euros			
	Integración de negocios	Adiciones/ Dotaciones	Retiros	31.12.2016
Coste:				
Inmuebles para arrendamiento	892.875	-	(4.524)	888.351
Amortización Acumulada:				
Inmuebles para arrendamiento	-	(2.651)	711	(1.940)
Inversiones inmobiliarias	892.875	(2.651)	(3.813)	886.411

Inmuebles para arrendamiento

El movimiento de los inmuebles para arrendamiento registrado en el ejercicio 2017, tiene su origen en los siguientes hechos:

- Con fecha 30 de enero de 2017, la Junta General Extraordinaria de Accionistas de la Sociedad firmó un acuerdo de ampliación de capital no dineraria mediante la aportación de activos inmobiliarios residenciales procedentes principalmente de las entidades financieras accionistas, Banco Santander, S.A. Banco Bilbao Vizcaya Argentaria, S.A. y Banco Popular, S.A. Con fecha 7 de marzo de 2017, dicha operación fue ratificada por la Junta General de Accionista de la Sociedad por importe de 659.723 miles de euros mediante la aportación de 60 promociones residenciales, los cuales corresponden principalmente a viviendas situadas en Andalucía, Aragón, Asturias, Canarias, Madrid, País Vasco, Cataluña, Baleares, Navarra, Comunidad Valenciana, Castilla León, Castilla La Mancha, Galicia y Navarra. Los acuerdos tomados por las respectivas juntas fueron inscritos en el Registro Mercantil el 3 de abril de 2017.

Como contraprestación por los activos inmobiliarios recibidos, la Sociedad llevó a cabo una ampliación de capital social mediante la emisión de 5.221.817.098 nuevas acciones de 0,01 euros de valor nominal cada una de ellas, con una prima de emisión de 0,11633977722 euros por acción emitida.

- En septiembre de 2017, la Sociedad incorporó activos inmobiliarios por importe de 4.703 miles de euros, como resultado de la ampliación de capital no dineraria suscrita por Acciona Real Estate S.L., descrita en la Nota 10, los cuales corresponden principalmente a viviendas situadas en Lérida.
- En septiembre de 2017, la Sociedad incorporó activos inmobiliarios por importe de 5.367 miles de euros, como resultado de la ampliación de capital no dineraria suscrita por Real Estate Deal II, S.A. en Liquidación, los cuales corresponden a viviendas situadas en calle Calcio, Madrid.
- En septiembre de 2017, la Sociedad adquirió activos inmobiliarios a un tercero por importe de 45.217 miles de euros, los cuales corresponden a viviendas situadas en Madrid.
- En diciembre de 2017, la Sociedad adquirió activos inmobiliarios a un tercero por importe de 4.228 miles de euros, los cuales corresponden a viviendas situadas en Vallecas, Madrid.
- Por otra parte, durante el ejercicio 2017, la Sociedad ha realizado inversiones en mejoras de sus activos por un importe de 4.470 miles de euros, de los cuales 1.157 miles de euros corresponden a costes de adquisición de los activos anteriormente comentados.
- En relación con las bajas, la Sociedad ha vendido 12 viviendas situadas en la Comunidad de Madrid por un importe total de 4.349 miles de euros. El resultado generado por esta operación ha ascendido a un beneficio de 277 miles de euros que se encuentra registrado en el epígrafe de "Resultados por enajenaciones de inmovilizado" de la cuenta de pérdidas y ganancias del ejercicio 2017 adjunta.

El movimiento de los inmuebles para arrendamiento registrado en el ejercicio 2016, tiene su origen en los siguientes hechos:

- Tras la integración de negocios descrita en la Nota 5, la Sociedad registro las inversiones inmobiliarias procedentes de la misma, las cuales corresponden principalmente a viviendas situadas en Madrid, País Vasco, Cataluña, Baleares, Navarra, Comunidad Valenciana, Castilla León y Castilla La Mancha.
- Por otra parte, la Sociedad vendió diversas viviendas situadas en la Comunidad de Madrid y Cataluña por un importe total de 3.976 miles de euros. El resultado generado por esta operación ascendió a un beneficio de 163 miles de euros que se encuentra registrado en el epígrafe de "Deterioro y resultados por enajenaciones de inmovilizado" de la cuenta de pérdidas y ganancias del ejercicio 2016 adjunta.

Del total del coste registrado en este epígrafe al 31 de diciembre de 2017 y 2016, un importe de 871.059 y 451.565 miles de euros, respectivamente, corresponde al valor de los terrenos.

Es política de la Sociedad contratar todas las pólizas de seguros que se estimen necesarias para dar cobertura a los riesgos que pudieran afectar a las inversiones inmobiliarias. Al 31 de diciembre de 2017, los Administradores de la Sociedad estiman que no existe déficit de cobertura alguno relacionado con dichos riesgos.

La Sociedad al 31 de diciembre del 2017 y 2016, no mantiene compromisos de compra en firme de inversiones inmobiliarias. En los ejercicios 2017 y 2016 no se han capitalizado gastos financieros en los costes de construcción ni como consecuencia de mejoras o rehabilitación de los inmuebles.

Al 31 de diciembre de 2017 y 2016 la Sociedad no mantiene elementos de las inversiones inmobiliarias totalmente amortizados.

A 31 de diciembre de 2017 la Sociedad, tiene bajo garantía hipotecaria diversos inmuebles, en garantía de préstamos por importe de 101.216 miles de euros (véase Nota 15).

La Sociedad explota en este epígrafe 703.811,02 metros cuadrados de superficie bruta alquilable de viviendas y 36.126,08 metros cuadrados de superficie bruta comercial a 31 de diciembre de 2017 y 392.567,51 metros cuadrados de superficie bruta alquilable de viviendas y 17.522,78 metros cuadrados de superficie bruta comercial a 31 de diciembre de 2016, con un grado de ocupación del 89% y 91% respectivamente.

Deterioro de valor

La determinación del valor razonable de los activos inmobiliarios ha sido realizada por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC).

Los expertos valoradores han aplicado con carácter general el método de "Descuento de Flujos de Caja" para los activos de patrimonio en renta. Esta metodología consiste en la estimación de ingresos netos futuros de cada propiedad en base a la información histórica disponible y a los estudios de mercado que se realizan. Dichas proyecciones se actualizan a fecha de valoración, mediante una tasa interna de retorno o coste de oportunidad de realizar esta inversión teniendo en cuenta el riesgo del mercado y el riesgo intrínseco a la empresa. Una vez finalizado el periodo de proyección (entre 7 y 10 años), se asume la venta del activo en condiciones de mercado, de modo que se obtiene un valor residual, capitalizando a perpetuidad la renta neta normalizada obtenida por el activo en el último periodo. Este valor residual se capitaliza a una tasa de salida (Exit Yield) que refleja las previsiones de inversión para el mercado en el futuro.

El valor recuperable de las inversiones inmobiliarias de la Sociedad al 31 de diciembre de 2017 calculado en función de las valoraciones realizadas por Savills Consultores Inmobiliarios, S.A., no vinculados a la Sociedad, asciende a 1.691.806 miles de euros (912.304 miles de euros al 31 de diciembre de 2016). De acuerdo con esta valoración del experto independiente, se han puesto de manifiesto activos individuales cuyos valores recuperables son inferiores a sus valores netos en libros. Por lo tanto, al 31 de diciembre de 2017 la Sociedad ha dotado un deterioro por importe de 2.653 miles de euros, registrados en el epígrafe de "Deterioros y pérdidas" de la cuenta de pérdidas y ganancias adjunta.

Las principales hipótesis utilizadas en el cálculo del valor razonable de los activos inmobiliarios han sido las siguientes:

Ejercicio 2017

Comunidades Autónomas	Tasa de descuento (%)	Exit Yield (%)
Madrid	6,20	4,28
Cataluña	5,97	4,59
Galicia	6,89	5,17
Resto de comunidades	6,75	5,16
Total	6,36	4,53

Ingresos y gastos relacionados

En el ejercicio 2017 los ingresos derivados de rentas provenientes de las inversiones inmobiliarias propiedad de la Sociedad ascendieron a 45.354 miles de euros (7.914 miles de euros en el ejercicio 2016) y los gastos de explotación por los conceptos relaciones con las mismas ascendieron a 12.830 miles de euros (2.199 miles de euros en el ejercicio 2016).

Ejercicio 2017:

Comunidad Autónoma	Superficie Bruta Alquilable	Peso
Madrid	365.196,90	49,36%
Galicia	54.612,01	7,38%
Cataluña	36.764,45	4,97%
Canarias	48.190,99	6,51%
Castilla La Mancha	46.115,60	6,23%
C. Valenciana	47.571,12	6,43%
Baleares	38.519,03	5,21%
Navarra	36.214,44	4,89%
Castilla León	32.516,22	4,39%
Asturias	20.189,32	2,73%
Aragón	9.346,63	1,26%
Andalucía	4.700,39	0,64%
Total	739.937,10	

Ejercicio 2016:

Comunidad Autónoma	Superficie Bruta Alquilable	Peso
Madrid	237.782,01	57,98%
Castilla La Mancha	46.115,60	11,25%
C. Valenciana	32.600,32	7,95%
Navarra	31.896,71	7,78%
Baleares	31.216,38	7,61%
Castilla León	20.283,74	4,95%
Cataluña	10.195,53	2,49%
Total	410.090,29	

8. Acuerdos de concesión, derechos de cobro

La composición y el movimiento de este epígrafe durante el ejercicio 2017 y 2016 se muestran a continuación:

Ejercicio 2017

	Miles de euros			
	31.12.2016	Actualización	Cobros	31.12.2017
Coste:				
Acuerdos de concesión, derechos de cobros	3.587	(285)	(1.128)	2.174
Acuerdos de concesión, derechos de cobro	3.587	(285)	(1.128)	2.174

Ejercicio 2016

	Miles de euros			
	Integración negocio	Actualización	Cobros	31.12.2016
Coste:				
Acuerdos de concesión, derechos de cobros	4.151	(211)	(353)	3.587
Acuerdos de concesión, derechos de cobro	4.151	(211)	(353)	3.587

Al 31 de diciembre de 2017 en este epígrafe del balance se incluye los acuerdos de concesión de los complejos de viviendas denominados "Campo de Tiro" en Leganés y "Usera", en Madrid.

La Sociedad ha calificado la contraprestación recibida de los mencionados acuerdos de concesión como activo financiero, dado que la contraprestación recibida consiste en un derecho incondicional a recibir efectivo, que permite la recuperación de la inversión realizada, obteniendo un margen razonable. Por tanto la Sociedad no asume el riesgo de demanda en el acuerdo de concesión.

Las principales características de estos acuerdos de concesión son las siguientes:

- Campo de Tiro (Leganés)

Con fecha 20 de abril de 1998 mediante escritura pública, el Instituto de la Vivienda de Madrid (IVIMA) concedió a la Sociedad un derecho de superficie oneroso de una duración de 20 años, desde su inscripción en el registro (22 mayo de 1998), sobre una parcela situada en el término municipal de Leganés (Madrid). Dicho derecho de superficie consiste en la construcción, dentro de los 3 primeros años de la concesión, de 80 viviendas de protección oficial en régimen especial de arrendamiento y 103 plazas de parking asociadas a las mismas, así como su posterior arrendamiento al IVIMA para que éste efectúe su explotación como viviendas de protección oficial en arrendamiento con los requisitos que establece el pliego de condiciones de adjudicación.

Con fecha 28 de diciembre de 2000, en cumplimiento de lo establecido en el pliego de condiciones y en la escritura de adjudicación del derecho de superficie, se firmó con el IVIMA un contrato de arrendamiento que terminará el 22 de mayo de 2018, fecha en la cual finaliza la concesión del derecho de superficie y revierte el inmueble al IVIMA sin pago de indemnización y no existiendo opción de renovación ni de rescisión. En el contrato de arrendamiento se establece una renta, de 36 miles de euros al mes, como precio de adjudicación del derecho de superficie, renta que es actualizada anualmente por el IPC correspondiente.

- Usera (Madrid)

Con fecha 8 de marzo de 2000 mediante escritura pública, el Instituto de la Vivienda de Madrid (IVIMA) concedió a la Sociedad un derecho de superficie oneroso de una duración de 20 años, desde su inscripción en el registro (1 junio de 2000), sobre una parcela situada en el término municipal de Madrid en su distrito de Usera. Dicho derecho de superficie consiste en la construcción, dentro de los 3 primeros años de la concesión, de 148 viviendas de protección oficial en arrendamiento y 148 plazas de parking asociadas a las mismas, así como su posterior arrendamiento al propio IVIMA para que éste efectúe su explotación con los requisitos que establece el pliego de condiciones de adjudicación.

Con fecha 8 de julio de 2003, en cumplimiento de lo establecido en el pliego de condiciones y en la escritura de adjudicación del derecho de superficie, se firmó con el IVIMA un contrato de arrendamiento con vigencia hasta el 31 de mayo de 2020, fecha en la cual finaliza la concesión del derecho de superficie y revertirá el inmueble al IVIMA sin pago de indemnización, no existiendo opción de renovación ni de rescisión. En el contrato de arrendamiento se establece una renta, 59 miles de euros al mes, como precio de adjudicación del derecho de superficie, renta que será actualizada anualmente por el IPC correspondiente.

La característica común en ambos contratos es que todos los gastos y cargas que graven la propiedad del inmueble serán a cargo del arrendador (la Sociedad), excepto el impuesto sobre Bienes Inmuebles que será asumido por el arrendatario.

A su vez también será a cargo del arrendador las obras de reparación, conservación y mantenimiento de los inmuebles, sus instalaciones y servicios, obligándose a presentar al IVIMA un informe anual de las actuaciones realizadas y llevadas a cabo las referidas obras a requerimiento de éste.

Durante el ejercicio 2017 no se han efectuado actuaciones significativas en ninguno de los inmuebles que sean dignas de ser mencionadas en esta memoria, así como tampoco se tiene previsto ninguna actuación significativa en el futuro.

Las magnitudes relevantes recogidas en el Plan Económico Financiero de los acuerdos concesionales son la renta de alquiler, los gastos, el Índice de Precios al Consumo estimado y la rentabilidad de mercado para cada uno de los proyectos.

Durante los ejercicios 2017 los acuerdos concesionales no han sufrido modificaciones contractuales.

La determinación del valor razonable de los acuerdos concesionales ha sido realizada por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC). La metodología utilizada para determinar el valor razonable del activo se detalla en la Nota 7.

El valor recuperable de acuerdos concesionales de la Sociedad al 31 de diciembre de 2017 calculado en función de las valoraciones realizadas por Savills Consultores Inmobiliarios, S.A., no vinculados a la Sociedad, asciende a 2.174 miles de euros (3.587 miles de euros al 31 de diciembre de 2016). De acuerdo con esta valoración del experto independiente, no hay activos cuyo valor recuperable sea inferior al valor neto en libros.

Al 31 de diciembre de 2017 la Sociedad, tiene bajo garantía hipotecaria el complejo de viviendas propiedad de la Sociedad situado en Leganés y conocido como "Campo de Tiro" (junto con otras propiedades inmobiliarias registradas en el epígrafe de "Inversiones Inmobiliarias") en garantía de un préstamo dispuesto de importe de 21.016 miles de euros (véase Nota 15). Bajo dicho contrato de deuda hipotecaria se establece la posibilidad de liberar la garantía hipotecaria de una o varias de las fincas asociadas a la misma.

9. Arrendamientos

a) Arrendamientos operativos como arrendatario

Al cierre de los ejercicios 2017 y 2016 la Sociedad tiene contratadas con los arrendadores las siguientes cuotas de arrendamiento mínimas, de acuerdo con los actuales contratos en vigor, sin tener en cuenta repercusión de gastos comunes, incrementos futuros por IPC, ni actualizaciones futuras de rentas pactadas contractualmente (en miles de euros):

Arrendamientos operativos Cuotas mínimas	Valor nominal	
	2017	2016
Menos de un año	151	132
Entre uno y cinco años	161	254
Total	312	386

Desde el 1 de febrero de 2017, la Sociedad ha suscrito un contrato para el arrendamiento de sus nuevas oficinas en Paseo de la Castellana 257, 2ª planta, Madrid, con una duración de 3 años. La renta anual a abonar por la Sociedad asciende a 157 miles de euros.

Adicionalmente, la Sociedad tiene formalizados diversos contratos de arrendamiento operativo de elementos necesarios para su actividad (elementos de transporte, fotocopiadoras...), prorrogables tácitamente por períodos anuales.

El gasto total devengado por arrendamientos durante el ejercicio 2017 asciende a 252 miles de euros y se encuentra registrado en el epígrafe de "Otros gastos de explotación" de la cuenta de pérdidas y ganancias adjunta (véase Nota 20.3).

b) Arrendamientos operativos como arrendador

Al cierre de los ejercicios 2017 y 2016 la Sociedad tiene contratado con los arrendatarios las siguientes cuotas de arrendamiento mínimas, de acuerdo con los actuales contratos en vigor, sin tener en cuenta la repercusión de gastos comunes, incrementos futuros por IPC, ni actualizaciones futuras de rentas pactadas contractualmente:

Cuotas mínimas	Miles de euros	
	2017	2016
Menos de un año	47.035	8.943
Entre uno y cinco años	56.948	27.643
Más de cinco años	4.675	11.454
Total	108.658	48.040

El importe de las cuotas de arrendamiento, así como la repercusión de gastos comunes reconocidas respectivamente como ingreso en el ejercicio 2017 y 2016 son los siguientes:

	Miles de euros	
	2017	2016
Rentas devengadas por arrendamiento (Véase Nota 20.1)	47.556	8.460
Repercusión gastos comunes	2.076	447
Total	49.632	8.907

La repercusión de gastos a los arrendatarios de los ejercicios 2017 y 2016 se presenta en la cuenta de pérdidas y ganancias disminuyendo el saldo de "Otros gastos de explotación".

10. Inversiones en empresas del grupo y asociadas a largo plazo

La composición y el movimiento del saldo del epígrafe "Instrumentos de patrimonio" al cierre de los ejercicios 2017 y 2016 es el siguiente:

Ejercicio 2017

	Miles de euros				31.12.2017
	31.12.2016	Altas	Bajas	Deterioro	
Empresas del Grupo:					
Compañía Urbanizadora del Coto S.L.	-	290.040	-	-	290.040
Valgrand 6, S.A.U.	-	46.909	(34.643)	(1.201)	11.065
Testa Alquileres Urbanos, S.L.U. (*)	132.137	-	-	-	132.137
Total	132.137	336.949	(34.643)	(1.201)	433.242

(*) Anteriormente denominada Metrovacesa Alquileres Urbanos, S.A.U.

Ejercicio 2016

	Miles de euros	
	Integración de Negocios	31.12.2016
Empresas del Grupo:		
Metrovacesa Alquileres Urbanos, S.A.U.	132.137	132.137
Total valor neto de la participación	132.137	132.137

Al 31 de diciembre de 2016, en este epígrafe del balance se registraba la participación de Metrovacesa Alquileres Urbanos, S.A.U., la cual, en abril de 2017 cambio su denominación social por Testa Alquileres Urbanos, S.L.U.

Con fecha 27 de julio de 2017 la Sociedad firmó un acuerdo para la incorporación del negocio de arrendamiento residencial de Acciona Real Estate, S.L. con el objetivo de mantener el liderazgo en el mercado español en número de viviendas de activos residenciales en alquiler. Con fecha 20 de septiembre de 2017 fue aprobada por las Juntas Generales de Accionistas de la Sociedad y Acciona Real Estate, S.L. Los acuerdos tomados por las respectivas juntas fueron inscritos en el Registro Mercantil el 17 de octubre de 2017.

La operación se articuló a través de la aportación a la Sociedad del 99,655% de las participaciones de Compañía Urbanizadora del Coto, S.L., el 100% de las participaciones de Valgrand 6, S.A.U y unas viviendas localizadas en Lérida (Véase Nota 7). Como contraprestación, la Sociedad llevó a cabo una ampliación de capital social mediante la emisión de 2.645.404.051 acciones de 0,01 euro de valor nominal cada una de ellas, con una prima de emisión de 0,116946213484044 euros por acción emitida. Conforme con el acuerdo de socios suscrito con Acciona Real Estate, S.L., las aportaciones realizadas por la misma, una vez capitalizado el compromiso que la Sociedad tiene con uno de sus accionistas (véase Nota 25), no deben de ser inferiores al 20% del valor de la Sociedad a la fecha del acuerdo debiendo realizar una única compensación en efectivo en caso de que la participación de Acciona Real Estate, S.L. se encuentra por debajo del mencionado porcentaje.

En este sentido, la Sociedad ha estimado que deberá pagar a Acciona Real Estate, S.L. un importe de 5.400 miles de euros, el cual se encuentra registrado dentro del epígrafe "Deudas con empresas del Grupo y asociadas a corto plazo" del balance adjunto (véase Nota 21.2).

Adicionalmente, el contrato de accionistas estipula en su cláusula 8.7 que, si la Sociedad antes del 21 de septiembre de 2022 no hubiese incorporado sus acciones al mercado bursátil, Acciona Real Estate S.L. tendría derecho a exigir a la Sociedad, dentro de los seis meses siguientes a dicha fecha, la amortización de las acciones suscritas en la aportación mencionada anteriormente. Como contrapartida, Acciona Real Estate, S.L. recibiría un importe equivalente al porcentaje que representen sus acciones sobre el EPRA NAV del Grupo Testa Residencial SOCIMI, S.A. y sociedades dependientes a la fecha de la amortización. La liquidación se realizaría, a opción de

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la Sociedad, mediante efectivo o la entrega de los activos recibidos en la aportación realizada en el ejercicio 2017 y si este fuera el caso la diferencia con respecto al EPRA NAV del Grupo a la fecha de amortización se liquidaría en más o en menos, en efectivo.

De acuerdo con la normativa contable vigente, el derecho del que es titular Acciona Real Estate, S.L. representa para la Sociedad una obligación potencial de recompra de las acciones emitidas en la ampliación de capital suscrita por Acciona Real Estate, S.L., habiendo registrado en consecuencia un pasivo a largo plazo equivalente al valor presente de dicha obligación, utilizando una tasa de descuento equivalente al tipo de interés incremental de la Sociedad, el cual ascendía, inicialmente a 349.761 miles de euros, y se encuentra registrado en el epígrafe "Otros pasivos no corrientes" del balance del ejercicio 2017 adjunto. Dicho pasivo se registra posteriormente a valor razonable, imputándose a la cuenta de resultados consolidada sus cambios de valor.

En este sentido, los Administradores de la Sociedad estiman que es altamente probable que la Sociedad incorpore sus acciones al mercado bursátil antes del 21 de septiembre de 2022, y por tanto, la opción de amortización de sus acciones por parte de Acciona Real Estate S.L. expirara, y en consecuencia el pasivo se transformara inmediatamente en patrimonio neto.

Por otra parte, con fecha 15 de noviembre de 2017, el Socio Único de la sociedad participada Valgrand 6, S.A.U. aprobó la distribución de reservas disponibles generadas con anterioridad a la fecha de la aportación de activos anteriormente comentada por un importe de 34.643 miles de euros.

En cumplimiento del artículo 155 de la Ley de Sociedades de Capital, la Sociedad ha comunicado las participaciones que exceden del 10% en las sociedades descritas en el cuadro anterior.

La información más significativa relacionada con las empresas del Grupo, multigrupo y asociadas al cierre del ejercicio 2017 es la siguiente:

1. Participación:

Compañía	% Participación Nominal		Actividad	Domicilio Social
	Directa	Efectiva		
Compañía Urbanizadora del Coto S.L.(a)	99,655%	99,655%	Adquisición y promoción de bienes inmuebles para su arrendamiento	Paseo de la Castellana nº 257, planta 2º, Madrid
Valgrand 6, S.A.U.	100%	100%		
Testa Alquileres Urbanos S.L.U (a) (*)	100%	100%		

(a) Auditada por Deloitte, S.L.

(*) Anteriormente denominada Metrovacesa Alquileres Urbanos, S.A.U.

2. Situación patrimonial:

Ejercicio 2017

Compañía	Miles de Euros				
	Capital	Resultado		Resto de Patrimonio	Total Patrimonio
		Explotación	Neto		
Compañía Urbanizadora del Coto S.L.	15.315	19.005	18.386	192.356	226.057
Valgrand 6, S.A.U.	10.013	248	580	411	11.004
Testa Alquileres Urbanos S.L.U. (*)	55.087	1.541	1.155	7.625	63.867
Total	80.415	20.794	20.121	200.392	300.051

(*) Anteriormente denominada Metrovacesa Alquileres Urbanos, S.A.U.

En el ejercicio 2017, ninguna de sus sociedades participadas ha repartido dividendo alguno.

La información más significativa relacionada con las empresas del Grupo, multigrupo y asociadas al cierre del ejercicio 2016 es la siguiente:

1. Participación:

Compañía	% Participación Nominal		Actividad	Domicilio Social
	Directa	Efectiva		
Metrovacesa Alquileres Urbanos S.A. (a)	100%	100%	Adquisición y promoción de bienes inmuebles para su arrendamiento	Calle Quintanavides 13, Las Tablas, Madrid

(a) Auditada por Deloitte, S.L.

Ejercicio 2016

Compañía	Miles de Euros				
	Capital	Resultado		Resto de Patrimonio	Total Patrimonio
		Explotación	Neto		
Metrovacesa Alquileres Urbanos S.A. (a)	55.086	1.457	1.454	6.534	63.074
Total	55.086	1.457	1.454	6.534	63.074

Para determinar la existencia de deterioro de valor de la participación en empresas del Grupo y asociadas, se ha considerado como mejor evidencia del importe recuperable la parte proporcional del patrimonio neto de la sociedad participada, corregido por las plusvalías facitas a la fecha de valoración.

En este sentido, la sociedad participada Testa Alquileres Urbanos S.L.U. es propietaria del 50% de un derecho de concesión en San Sebastián, cuyo valor razonable al 31 de diciembre de 2017 asciende a 82.352 miles de euros, siendo su valor en libros de 12.749 miles de euros. En relación con la sociedad participada Compañía Urbanizadora del Coto Urbanizadora S.L. es propietaria de un complejo de viviendas situadas en Madrid, cuyo valor razonable al 31 de diciembre de 2017 asciende a 409.046 miles de euros, siendo su valor en libros de 335.887 miles de euros. Con respecto a la sociedad participada Valgrand 6, S.A.U. es propietaria de una cartera de viviendas situadas en Madrid y dos acuerdos concesionales ubicados en Madrid, cuyo valor razonable al 31 de diciembre de 2017 coincide con su valor en libros.

La determinación del valor razonable de estos activos ha sido realizada por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC). La metodología utilizada para determinar el valor razonable del activo se detalla en la Nota 7.

Al 31 de diciembre de 2017 la Sociedad ha dotado un deterioro por importe de 1.201 miles de euros, al estimar que el importe recuperable de Valgrand 6, S.A.U. es inferior al valor neto en libros. Dicho deterioro se encuentra registrado en el epígrafe de "Deterioro y resultado por enajenaciones de instrumentos financieros" de la cuenta de pérdidas y ganancias adjunta.

11. Otros activos financieros a largo plazo

Dentro de este epígrafe del balance se incluyen principalmente las fianzas constituidas por los arrendatarios en concepto de garantía cuyo saldo al 31 de diciembre de 2017 y 2016 asciende a 3.827 y 3.665 miles de euros, respectivamente.

12. Deudores comerciales y otras cuentas por cobrar

Al 31 de diciembre de 2017 y 2016 el epígrafe "Deudores comerciales y otras cuentas por cobrar" incluye los siguientes conceptos:

	Miles de euros	
	2017	2016
Cientes por ventas y prestación de servicios	773	1.770
Empresas del Grupo y asociadas (Nota 21.2)	-	11
Deudores varios	632	724
Deterioro de clientes por ventas y prestación de servicios	(397)	(66)
Otros Créditos con las Administraciones Públicas	121	-
Total	1.129	2.439

Con carácter general, estas cuentas a cobrar no devengan tipo de interés alguno y su condición de cobro principal es al contado.

La Sociedad analiza de forma periódica el riesgo de insolvencia de sus cuentas por cobrar actualizando la provisión por deterioro correspondiente. Los Administradores de la Sociedad consideran que el importe de las cuentas de deudores comerciales y otras cuentas a cobrar se aproxima a su valor razonable.

El movimiento de la provisión por deterioro e incobrabilidad en el ejercicio 2017 y 2016 ha sido el siguiente:

	Miles de euros
Integración de negocios	-
Dotaciones	(66)
Saldo al 31 de diciembre de 2016	(66)
Dotaciones	(397)
Aplicaciones	66
Saldo al 31 de diciembre de 2017	(397)

El reconocimiento y la reversión de las correcciones valorativas por deterioro de las cuentas a cobrar a clientes se han incluido dentro de "Pérdidas, deterioro y variación de provisiones por operaciones comerciales" en la cuenta de pérdidas y ganancias del ejercicio 2017 adjunta.

La antigüedad de las cuentas por cobrar deterioradas es en su mayor parte, superior a 6 meses. Las cuentas por cobrar no provisionadas no significativas. El periodo medio de cobro es aproximadamente una semana.

	Miles de euros
	2017
Clientes por ventas y prestación de servicios	773
Total importe neto de la cifra de negocios	48.060
Periodo Medio de cobro	6,5 días

13. Efectivo y otros activos líquidos equivalentes

El epígrafe "Efectivo y otros activos líquidos equivalentes" incluye la tesorería de la Sociedad y depósitos bancarios a corto plazo con un vencimiento inicial de tres meses o un plazo inferior. El importe en libros de estos activos se aproxima a su valor razonable.

Las cuentas corrientes devengan el tipo de interés de mercado para este tipo de cuentas.

14. Patrimonio neto y fondos propios

14.1 Capital social y prima de emisión

La composición y el movimiento del patrimonio neto se presentan en el estado de cambios en el patrimonio neto.

Capital social

Al 31 de diciembre de 2015 el capital social de la Sociedad estaba representado por 102.696.108 participaciones de 1 euro de valor nominal cada una, todas ellas de la misma clase, totalmente suscritas y desembolsadas.

Con fecha 21 de junio de 2016 los Consejos de Administración de Merlin Properties, SOCIMI, S.A. y Testa Inmuebles en Renta SOCIMI, S.A. (Socio Único de la Sociedad a dicha fecha) aprobaron el proyecto de fusión por absorción que implicó la integración de Testa Inmuebles en Renta SOCIMI, S.A. en Merlin Properties, SOCIMI, S.A., mediante la transmisión en bloque del patrimonio de la primera en beneficio de la segunda. Con fecha 6 de septiembre de 2016 la Junta General de Accionistas de Testa Inmuebles en Renta, SOCIMI, S.A. aprobó la fusión, habiéndose inscrito en el Registro Mercantil el 14 de octubre de 2016.

Dicha operación dio lugar a que Testa Inmuebles en Renta, SOCIMI, S.A. cuya participación directa en la Sociedad ascendía al 100%, dejase de ser el Socio Único de la misma, pasando a ser Merlin Properties, SOCIMI, S.A.

Con fecha 24 de junio de 2016 el Socio Único aprobó la transformación de la Sociedad en Sociedad Anónima, la redenominación de las acciones, pasando de 102.696.108 de 1 euro de valor nominal por acción a 10.269.610.800 acciones de 0,01 euros de valor nominal por acción, realizó ampliación de capital por aportación no dineraria de inmuebles, emitiendo 2.238.551.888 nuevas acciones de 0,01 euros de valor nominal y finalmente una reducción de capital mediante la amortización de 10.906.847.110 acciones. Como resultado, el capital social de la Sociedad quedó compuesto por 1.601.315.578 acciones valoradas a 0,01 euros por acción.

Tal y como se menciona en la Nota 5, con fecha 15 de septiembre de 2016, las Juntas Generales de Accionistas de la Sociedad y de Metrovacesa, S.A. aprobaron una ampliación de capital social mediante la emisión de 3.075.278.154 acciones de 0,01 euros de valor nominal cada una de ellas, con una prima de emisión de 13,3656923984379 céntimos por acción emitida. Esta ampliación fue suscrita íntegramente por los accionistas de Metrovacesa, S.A. mediante la aportación de su negocio de activos residenciales en alquiler. Como resultado de esta transacción, los accionistas de Metrovacesa, S.A. adquirieron el 65,67 % del capital social de la Sociedad.

Tras las operaciones descritas anteriormente, al 31 de diciembre de 2016 el capital social de Testa Residencial, SOCIMI, S.A. ascendía a 46.765.937 euros y está representado por 4.676.593.732 acciones ordinarias, de 0,01 euro de valor nominal cada una de ellas, todas de la misma clase, totalmente suscritas y desembolsadas, otorgando a sus titulares los mismos derechos.

Por otro lado, tal y como se explica en la Nota 5, la aportación del negocio residencial de Metrovacesa, S.A. y la ampliación de capital realizada en contrapartida el 15 de septiembre de 2016 fue contabilizada como una adquisición inversa, de tal manera que si bien es el negocio residencial de Metrovacesa, S.A. el adquirente, es el capital social de Testa Residencial, SOCIMI, S.A. el que figura en el patrimonio neto de la Sociedad al ser la entidad legal que subsiste.

Por otra parte, tal y como se menciona en la Nota 5, el 30 de enero de 2017, la Junta General Extraordinaria de Accionistas de la Sociedad aprobó una ampliación de capital no dineraria mediante la aportación de activos inmobiliarios residenciales procedentes principalmente de las entidades financieras accionistas del Grupo, Banco Santander, S.A. Banco Bilbao Vizcaya Argentaria S.A., Banco Popular, S.A. y otros nuevos accionistas minoritarios. Como contraprestación por los activos inmobiliarios recibidos, la Sociedad llevó a cabo una ampliación de capital social por importe de 659.723 miles de euros, mediante la emisión de 5.221.817.098 nuevas acciones de 0,01 euros de valor nominal cada una de ellas (52.218 miles de euros), con una prima de emisión de 0,11633977722 euros por acción emitida (607.505 miles de euros).

Por otro lado, también con fecha 23 de mayo de 2017, la Junta General Extraordinaria de Accionistas de la Sociedad aprobó una ampliación de capital dineraria del accionista Banco Santander de 30 miles de euros mediante la emisión de 237.407 nuevas acciones de la Sociedad de 0,01 euros de valor nominal cada una de ellas (2 miles de euros), con una prima de emisión de 0,11636527145 euros por acción emitida (28 miles de euros).

Posteriormente, tal y como se menciona en la Nota 10, el 20 de septiembre de 2017, la Junta General Extraordinaria de Accionistas de la Sociedad aprobó una ampliación de capital no dineraria mediante la aportación por parte Acciona Real Estate, S.L.U. de su actividad de arrendamiento residencial consistente en sus participaciones de Compañía Urbanizadora del Coto, S.L., el 100% de las participaciones de Valgrand 6, S.A.U y unas viviendas localizadas en Lérida. Como contraprestación por los activos recibidos, la Sociedad llevó a cabo una ampliación de capital social por importe de 335.824 miles de euros, mediante la emisión de 2.645.404.051 nuevas acciones de 0,01 euros de valor nominal cada una de ellas (26.454 miles de euros), con una prima de emisión de 0,116946213484044 euros por acción emitida (309.370 miles de euros).

Al mismo tiempo, también con fecha 20 de septiembre de 2017, la Junta General extraordinaria de Accionistas de la Sociedad aprobó una ampliación de capital no dineraria mediante la aportación de activos inmobiliarios residenciales procedentes de Real Estate Deal II, S.A. en Liquidación. Como contraprestación por los activos inmobiliarios recibidos, la Sociedad llevó a cabo una ampliación de capital social por importe de 5.367 miles de euros mediante la emisión de 42.274.627 nuevas acciones de la Sociedad de 0,01 euros de valor nominal cada una de ellas (423 miles de euros), con una prima de emisión de 0,116946213484044 euros por acción emitida (4.944 miles de euros).

Los accionistas titulares de participaciones significativas en el capital social de Testa Residencial, SOCIMI, S.A. tanto directas como indirectas, al 31 de diciembre de 2017 y 2016, son los siguientes:

Ejercicio 2017

	Acciones			% del Capital
	Directas	Indirectas	Total	
Banco Santander, S.A.	1.733.179.100	3.143.288.876	4.876.467.976	38,74%
Merlin Properties, SOCIMI S.A	1.601.315.578	-	1.601.315.578	12,72%
Banco Bilbao Vizcaya Argentaria, S.A.	488.962.085	2.850.130.717	3.339.092.80	26,53%
Acciona Real Estate S.L.	2.645.404.051	-	2.645.404.051	21,02%
Otros	124.046.508	-	124.046.508	0,99%

Ejercicio 2016

	Acciones			% del Capital
	Directas	Indirectas	Total	
Banco Santander, S.A.	1.614.360.156	546.693.807	2.161.053.964	46,21%
Banco Bilbao Vizcaya, S.A.	488.962.085	134.895.518	623.857.604	13,34%
Banco Popular, S.A.	281.078.284	9.338.187	290.416.471	6,21%
Merlin Properties, SOCIMI, S.A	1.601.315.578	-	1.601.315.578	34,24%

Prima de emisión

El texto Refundido de la Ley de Sociedades de Capital, permite expresamente la utilización del saldo de la prima de emisión para ampliar capital y no establece restricción específica alguna en cuanto a la disponibilidad de dicho saldo.

Esta reserva es de libre disposición siempre y cuando como consecuencia de su distribución no se sitúen los fondos propios de la Sociedad por debajo de la cifra del capital social.

14.2 Reservas

Reserva legal

La reserva legal se dotará de conformidad con el artículo 274 del Texto Refundido de la Ley de Sociedades de Capital, que establece que, en todo caso, una cifra igual al 10 % del beneficio del ejercicio se destinará a ésta hasta que alcance, al menos, el 20 % del capital social.

No puede ser distribuida y si es usada para compensar pérdidas, en el caso de que no existan otras reservas disponibles suficientes para tal fin, debe ser repuesta con beneficios futuros.

Al 31 de diciembre de 2017 y 2016, la Sociedad no tiene dotada esta reserva con el límite mínimo que establece el Texto Refundido de la Ley de Sociedades de Capital.

De acuerdo con la Ley 11/2009, por la que se regulan las sociedades anónimas cotizadas de inversión en el mercado inmobiliario (SOCIMI), la reserva legal de las sociedades que hayan optado por la aplicación del régimen fiscal especial establecido en esta ley no podrán exceder del 20 por ciento del capital social.

Tal y como se menciona en las Notas 10 y 16, conforme a los términos del contrato de accionistas, Acciona Real Estate, S.L. tiene derecho a amortizar las acciones suscritas en la aportación descrita anteriormente en esta Nota en el caso de que la Sociedad no hubiera incorporado sus títulos a un mercado bursátil con anterioridad al 21 de septiembre de 2022. En caso de tener lugar dicha situación, la Sociedad debería entregar a cambio de las acciones amortizadas un importe equivalente al porcentaje que dichas acciones representasen sobre el EPRA NAV del Grupo Testa Residencial SOCIMI, S.A. y sociedades dependientes a la fecha de dicha amortización. El pago podría realizarse, a opción de la Sociedad, en efectivo o mediante la devolución de los activos netos recibidos en la ampliación de capital suscrita por Acciona Real Estate, S.L. en el presente ejercicio, y si este fuera el caso la diferencia con respecto al EPRA NAV del Grupo a la fecha de amortización se liquidaría en más o en menos, en efectivo.

Conforme a la norma de registro y valoración 9ª del Plan General de Contabilidad, la Sociedad ha reconocido el compromiso que mantiene con Acciona Real Estate, S.L., registrando un pasivo financiero equivalente al valor actual del importe a reembolsar, el cual ascendía a la fecha de la formalización del contrato de accionistas a 349.761 a miles de euros con cargo al epígrafe "Reservas" del estado de cambios en el patrimonio neto del ejercicio 2017 adjunto.

En este sentido, los Administradores de la Sociedad estiman que es altamente probable que la Sociedad incorpore sus acciones al mercado bursátil antes del 21 de septiembre de 2022, y por tanto, la opción de amortización de sus acciones por parte de Acciona Real Estate S.L. expirara, y en consecuencia el pasivo se transformara inmediatamente en patrimonio neto.

15. Pasivos financieros corrientes y no corrientes

Al 31 de diciembre de 2017 y 2016 el detalle de pasivos corrientes y no corrientes es el siguiente:

	Miles de euros	
	2017	2016
No corriente:		
<i>Valorados a coste amortizado</i>		
Préstamo sindicado	350.000	250.000
Gastos de formalización del préstamo sindicado	(1.488)	(287)
Total préstamo sindicado	348.512	249.713
Préstamos hipotecarios	123.224	98.462
Gastos de formalización	(860)	(264)
Total otros préstamos	122.364	98.198
Total coste amortizado	470.876	347.911
<i>Valorados a valor razonable</i>		
Instrumentos financieros derivados	120	940
Total a valor razonable	120	940
Total no corriente	470.996	348.851
Corriente:		
<i>Valorados a coste amortizado</i>		
Préstamos hipotecarios	2.238	11.997
Intereses de deudas	301	638
Total coste amortizado	2.539	12.635
Total corriente	2.539	12.635

Para los pasivos financieros valorados a coste amortizado, no existe diferencia significativa entre su valor contable y su valor razonable.

Préstamos

El detalle de préstamos al 31 de diciembre de 2017 y 2016 es el siguiente:

Ejercicio 2017

	Miles de euros				
	Deudas con entidades de crédito				
	Límite	Gastos formalización de deudas	31.12.2017		Intereses a corto plazo
			Largo plazo	Corto plazo	
Préstamo sindicado	800.000	(1.488)	350.000	-	191
Préstamos hipotecarios	125.462	(860)	123.224	2.238	110
Total	925.462	(2.348)	473.224	2.238	301

Ejercicio 2016

	Miles de euros				
	Deudas con entidades de crédito				
	Límite	Gastos formalización de deudas	31.12.2016		Intereses a corto plazo
			Largo plazo	Corto plazo	
Préstamo sindicado	250.000	(287)	250.000	-	590
Préstamos hipotecarios	110.459	(264)	98.462	11.997	48
Total	360.459	(551)	348.462	11.997	638

Préstamo sindicado

Con fecha 20 de diciembre de 2017 la Sociedad suscribió un préstamo sindicado sin garantía hipotecaria por importe de 800 millones de euros. Esta financiación fue destinada a la cancelación del anterior préstamo sindicado de la Sociedad por importe de 250 millones de euros, cuyo vencimiento estaba estipulado en mayo de 2018, y a la cancelación del préstamo sindicado hipotecario contraído por la sociedad dependiente Compañía Urbanizadora del Coto S.L. por importe de 77 millones de euros, cuyo vencimiento estaba estipulado en 29 de septiembre de 2022. Las condiciones principales de este préstamo sindicado sin garantía hipotecaria son las siguientes:

- El préstamo se divide en tres tramos:

- El primer tramo consiste en una financiación bancaria con garantía corporativa de 350 millones de euros con vencimiento en diciembre de 2022 y un tipo de interés de Euribor +120 puntos básicos. La totalidad del primer tramo se amortiza a vencimiento y fue destinada en su totalidad a cancelar los préstamos sindicados de la Sociedad y de Compañía Urbanizadora del Coto S.L. Al 31 de diciembre de 2017, la totalidad del primer tramo se encuentra dispuesto.

- b) El segundo tramo consiste en un préstamo puente por importe de 350 millones de euros con vencimiento previsto en diciembre de 2019 y un coste inicial de Euribor +50 puntos básicos. Al 31 de diciembre de 2017 la Sociedad no ha dispuesto de este tramo.
- c) El tercer tramo consiste en una línea de crédito revolving por importe de 100 millones de euros. El vencimiento de la línea de crédito es en diciembre 2022 y devenga un tipo de interés de Euribor +120 puntos básicos ligado al rating de la compañía. Esta financiación se destinará usos generales corporativos. Al 31 de diciembre de 2017 la Sociedad no ha dispuesto de esta línea de crédito.

Esta financiación bancaria con garantía corporativa tiene unos compromisos de obligaciones de información respecto a las cuentas anuales individuales y consolidadas, así como a los presupuestos. Por otro lado, trimestralmente, la Sociedad deberá cumplir con determinados compromisos de ratios de cobertura como la proporción existente entre valor de los activos sobre la deuda pendiente ("Loan to Value"), la proporción existente entre los ingresos del Grupo y los intereses de la deuda ("ICR"). Al 31 de diciembre de 2017 la Sociedad cumple con las ratios financieros establecidos en dicho contrato y los Administradores estiman que también se cumplirán al cierre del ejercicio 2018 y en los próximos ejercicios.

Préstamos hipotecarios

Al 31 de diciembre de 2017 la Sociedad tenía contratados los siguientes préstamos hipotecarios:

Entidad financiera	Miles de euros				Garantía Hipotecaria
	Préstamo Original	Largo Plazo	Corto Plazo	Intereses	
Banco Santander S.A.	22.016	20.016	1.000	28	Inmuebles de Osuna, Campo de Tiro y Benquerencia-Toledo
ING Direct, NV.	63.200	63.200	-	7	Inmuebles de Pavones, Valdebernardo, Alcorcón, Plaza De Castilla
Caixabank	17.000	16.660	340	74	Inmuebles de Mercedes Formica, Ronda de Segovia y José M. Perdis
Bilbao Bizkaia Kutxa	24.695	23.348	898	1	Inmuebles Bentaberri
Total	126.911	123.224	2.238	110	

El préstamo hipotecario de ING tiene unos compromisos de obligaciones de información respecto a las cuentas anuales individuales y consolidadas, tales como la proporción existente entre valor de los activos sobre la deuda pendiente ("Loan to Value"). Al 31 de diciembre de 2017 la Sociedad cumple con las ratios financieros establecida en dicho contrato y los Administradores estiman que también se cumplirán al cierre del ejercicio 2018 y en los próximos ejercicios.

Los intereses devengados y no pagados correspondientes de los préstamos hipotecarios al cierre de los ejercicios 2017 y 2016 ascienden a 110 y 48 miles de euros, respectivamente, siendo el tipo de interés medio final de estos préstamos hipotecarios en el ejercicio 2017 es de 1,42%.

Vencimientos de la deuda

El detalle por vencimientos de la deuda de la Sociedad al 31 de diciembre de 2017 es el siguiente:

	Miles de euros		
	Préstamo Hipotecarios	Préstamos Sindicado	Total
2018	2.238	-	2.238
2019	2.238	-	2.238
2020	2.238	-	2.238
2021	2.238	-	2.238
2022	80.738	350.000	430.738
Más de 5 años	35.772	-	35.772
	125.462	350.000	475.462

Los saldos de las deudas con entidades de crédito reflejan solo la parte dispuesta.

La Sociedad no tiene endeudamiento al 31 de diciembre de 2017 y 2016 consignado en moneda distinta al euro.

El gasto financiero del ejercicio 2017 por intereses correspondiente al préstamo sindicado, a los préstamos hipotecarios y a los instrumentos financieros ha ascendido a 5.500 miles de euros y se encuentra incluido en la cuenta de pérdidas y ganancias del ejercicio 2017 adjunta.

Al 31 de diciembre de 2017 los gastos de formalización de deuda se presentan minorando el saldo de "Deudas con entidades de crédito". Durante el ejercicio 2017, la Sociedad ha imputado 2.486 miles de euros, respectivamente en el epígrafe "Gastos financieros" de la cuenta de pérdidas y ganancias del ejercicio 2017 adjunta asociados a la deuda, de los cuales 1.882 miles de euros corresponden a los gastos de formalización imputados por la cancelación de los préstamos anteriormente comentados.

Durante el ejercicio 2017 no se han incumplido las condiciones contractuales de pago de los préstamos pendientes ni ninguna otra condición contractual.

Derivados de cobertura

Los derivados sobre tipos de interés contratados por la Sociedad y vigentes al 31 de diciembre de 2017 y sus valores razonables a dicha fecha son los siguientes (en miles de euros):

W

Ejercicio 2017

Titular	Miles de euros					
	Vencimiento	Tipo interés	Nocional	Valor razonable	Pasivo	Pérdidas y ganancias Gastos/(Ingreso)
ING	30/09/2020	0,3035%	37.240	(418)	414	(18)
HSBC France	14/12/2022	0,1420%	56.000	42	(52)	(42)
MedioBanca	14/12/2022	0,1350%	112.000	108	(128)	(108)
Golman Sachs	14/12/2022	0,1395%	56.000	45	(55)	(45)
Citibank Europe	14/12/2022	0,1390%	56.000	49	(59)	(49)
Total			317.240	(174)	120	(261)

Para la determinación del valor razonable de los derivados de tipo de interés, la Sociedad utiliza el descuento de los flujos de caja en base a los implícitos determinados por la curva de tipo de interés del euro según las condiciones de mercado en la fecha de valoración.

Al 31 de diciembre de 2017, la Sociedad tenía contratados derivados de tipo de interés por valor razonable de 174 miles de euros, sobre los cuales la Sociedad ha optado por la contabilidad de coberturas que permite el plan general contable, designando adecuadamente las relaciones de cobertura en las que estos IRS son instrumentos de cobertura de la financiación utilizada por la Sociedad, neutralizando las variaciones de flujos por pagos de intereses fijando el tipo fijo a pagar por la misma. Dichas relaciones de cobertura son altamente efectivas de manera prospectiva y retrospectiva, de forma acumulada, desde la fecha de designación para ciertos derivados. Mientras que el resto de los derivados no han sido designados como coberturas contables.

A 31 de diciembre de 2017, la Sociedad tiene registrado en el patrimonio neto un importe total de 336 miles de euros (489 miles de euros en 2016) correspondientes a la variación del valor razonable de los derivados que cumplen estos requisitos y en el epígrafe "Variación de valor razonable en instrumentos financieros" de la cuenta de pérdidas y ganancias 261 miles de euros como consecuencia de los instrumentos financieros derivados que no han cumplido los requisitos de cobertura. Adicionalmente, en el ejercicio 2017 se ha realizado liquidaciones por un importe de 219 miles de euros.

Como consecuencia de la solicitud, por parte de la Sociedad, con fecha 22 de septiembre de 2016, del acogimiento al Régimen fiscal especial propio de las sociedades anónimas cotizadas de inversión en el mercado inmobiliario (el Régimen de SOCIMIs) previsto en la Ley 11/2009, de 26 de octubre, de sociedades anónimas cotizadas de inversión en el mercado inmobiliario (Ley de SOCIMIs), cuyos efectos son aplicables desde el 1 de enero de 2016, la Sociedad ha procedido a registrar en Patrimonio Neto los valores razonables de los derivados sin efecto fiscal.

La Sociedad ha realizado un ajuste en las técnicas de valoración para la obtención del valor razonable de sus derivados. La Sociedad incorpora un ajuste de riesgo de crédito bilateral con el objetivo de reflejar tanto el riesgo propio como de la contraparte en el valor razonable de los derivados. La metodología aplicada por la Sociedad ha sido la del descuento de flujos considerando una tasa de descuento afectada por el riesgo propio estos instrumentos financieros.

Para el cálculo del valor razonable de los derivados financieros la Sociedad ha aplicado metodologías de valoración de amplia aceptación en el mercado, que recogen la exposición actual y futura esperada, ajustada por la probabilidad de impago y por la pérdida potencial o severidad en caso de incumplimiento del contrato. De esta forma se ha estimado el DVA (Debt Value Adjustment) o riesgo de crédito propio.

La exposición actual y esperada en el futuro se estima en base a la simulación de escenarios de movimientos en las variables del mercado, como son las curvas de tipos de interés, tipo de cambio y volatilidades en función de las condiciones del mercado en la fecha de valoración.

Adicionalmente, para el ajuste del riesgo de crédito se ha tenido en cuenta la exposición neta de la Sociedad a cada una de las contrapartidas, en caso de que los derivados financieros con ésta contratados se encuentren incluidos dentro de un contrato marco de operaciones financieras que contemple el neteo de posiciones. En el caso de las contrapartes con información de crédito disponible, los spreads de crédito se han obtenido a partir de los CDS (Credit Default Swaps) cotizados en mercado, mientras que para aquellas sin información disponible se han utilizado las referencias de entidades comparables. Para las valoraciones de los derivados a valor razonable la Sociedad tiene contratado los servicios de Chatham Financial Europe Ltd.

El efecto en el pasivo y en la cuenta de pérdidas y ganancias antes de impuestos de la variación de 50 puntos básicos en la tasa de riesgo de crédito estimada sería el siguiente:

Escenario	Miles de Euros		
	Pasivo	Patrimonio Neto	Resultado antes de impuestos
Aumento tasa de riesgo de crédito en 0,5%	(7.214)	-	7.214
Disminución tasa de riesgo de crédito en 0,5%	7.433	-	(7.433)

16. Otros pasivos no corrientes y no corrientes

El detalle de estos epígrafes al 31 de diciembre de 2017 y 2016 es el siguiente:

	Miles de euros	
	2017	2016
<i>No corriente</i>		
Otros pasivos financieros	355.565	-
Provisiones	320	1.410
Fianzas y depósitos recibidos	13.239	7.115
<i>Corriente</i>		
Provisiones	1.148	-
Total	370.272	8.525

Otros pasivos financieros – No corriente

Tal y como se menciona en las Nota 10 y 14, la Sociedad está obligada, a decisión de Acciona Real Estate, S.L., a llevar a cabo una reducción de capital en el caso de que los títulos de la Sociedad no se incorporen al mercado bursátil antes del 21 de septiembre de 2022. La amortización de acciones irá dirigida únicamente a las que ha suscrito Acciona Real Estate, S.L. en 2017 y el importe de la reducción de capital se determinará en función del EPRA NAV a dicha fecha del Grupo Testa Residencial SOCIMI, S.A. y sociedades dependientes. La liquidación de la amortización de acciones se hará, a opción de la Sociedad, en efectivo o mediante la devolución de los activos netos recibidos de la aportación efectuada por Acciona Real Estate S.L. en 2017, mas (o menos) en efectivo, por la diferencia con respecto al EPRA NAV del Grupo, a la fecha de amortización.

De acuerdo con la normativa contable vigente, la Sociedad ha reconocido un pasivo a largo plazo derivado del compromiso mencionado en el párrafo anterior. Conforme a la norma de registro y valoración 9ª dicho pasivo se reconoció inicialmente al valor presente de la estimación del valor neto de los activos de Grupo Testa y se ha actualizado al 31 de diciembre de 2017 en función de la variación experimentada por su valor razonable.

El gasto por variación del valor razonable durante el ejercicio 2017 ha ascendido a 5.804, miles de euros, el cual se encuentra registrado en el epígrafe de "Variación de valor razonable en instrumentos financieros" de la cuenta de pérdidas y ganancias del ejercicio 2017 adjunto.

Para el cálculo del valor razonable, la Sociedad ha estimado el EPRA NAV actual, partiendo del patrimonio neto del Grupo, ajustado por las plusvalías implícitas de los proyectos y acuerdos concesionales valorados a mercado. Las hipótesis utilizadas para la determinación del valor razonable de las inversiones inmobiliarias se desglosan en la Nota 7.

En este sentido, los Administradores de la Sociedad estiman que es altamente probable que la Sociedad incorpore sus acciones al mercado bursátil antes del 21 de septiembre de 2022, y por tanto, la opción de amortización de sus acciones por parte de Acciona Real Estate S.L. expirará, y en consecuencia el pasivo se transformará inmediatamente en patrimonio neto.

En el epígrafe "Fianzas y depósitos recibidos" se recogen, fundamentalmente, los importes entregados por los arrendatarios en concepto de garantía y que serán devueltos a la finalización de los contratos.

17. Acreedores comerciales y otras cuentas a pagar

El detalle de acreedores comerciales y otras cuentas a pagar al 31 de diciembre de 2017 y 2016 es como sigue:

	Miles de euros	
	2017	2016
Acreedores comerciales y otras cuentas a pagar:		
Proveedores	513	1.566
Proveedores, empresas del Grupo, asociadas y vinculadas (Nota 21.2)	2.357	2.745
Acreedores varios	271	624
Personal (remuneraciones pendientes de pago)	560	1.008
Pasivos por impuesto corriente	141	7
Otras deudas con las Administraciones Públicas (véase Nota 18.1)	158	313
Anticipos de clientes	7	-
Total	4.007	6.263

Los Administradores consideran que el importe en libros de los acreedores comerciales se aproxima a su valor razonable.

Información sobre el periodo medio de pago a proveedores. Disposición final segunda de la Ley 31/2014, de 3 de diciembre

A continuación, se detalla la información requerida por la Disposición adicional tercera de la Ley 15/2010, de 5 de julio (modificada a través de la Disposición final segunda de la Ley 31/2014, de 3 de diciembre) preparada conforme a la Resolución del ICAC de 29 de enero de 2016, sobre la información a incorporar en la memoria de las cuentas anuales en relación con el periodo medio de pago a proveedores en operaciones comerciales.

	2017	2016
	Días	
Periodo medio de pago a proveedores	13	17
Ratio de operaciones pagadas	15	16
Ratio de operaciones pendientes de pago	-	22
	Miles de euros	
Total pagos realizados	15.591	1.449
Total pagos pendientes	2.375	4.773

Los datos expuestos en el cuadro anterior sobre pagos a proveedores hacen referencia a aquellos que por su naturaleza son acreedores comerciales por deudas con suministradores de bienes y servicios, de modo que incluyen los datos relativos a las partidas "Acreedores comerciales y otras cuentas a pagar" del pasivo corriente del balance de situación adjunto.

Se entenderá por "Periodo medio de pago a proveedores" la expresión del tiempo de pago o retraso en el pago de la deuda comercial. Dicho "Periodo medio de pago a proveedores" se calcula como el cociente formado en el numerador por el sumatorio de la ratio de operaciones pagadas por el importe total de los pagos realizados más la ratio de operaciones pendientes de pago por el importe total de pagos pendientes y, en el denominador, por el importe total de pagos realizados y los pagos pendientes.

La ratio de operaciones pagadas se calcula como el cociente formado en el numerador por el sumatorio de los productos correspondientes a los importes pagados, por el número de días de pago (diferencia entre los días naturales transcurridos desde el final del plazo máximo legal de pago hasta el pago material de operación) y, en el denominador, el importe total de pagos realizados.

Asimismo, la ratio de operaciones pendientes de pago corresponde al cociente formulado en el numerador por el sumatorio de los productos correspondientes a los importes pendientes de pago, por el número de días pendiente de pago (diferencia entre los días naturales transcurridos desde el final del plazo máximo legal de pago hasta el día de cierre de las cuentas anuales) y, en el denominador, el importe total de pagos pendientes.

El plazo máximo legal de pago aplicable a la Sociedad en el ejercicio 2016 según la Ley 3/2004, de 29 de diciembre, por la que se establecen medidas de lucha contra la morosidad en las operaciones comerciales y conforme a las disposiciones transitorias establecidas en la Ley 15/2010, de 5 de julio, es de 60 días hasta la publicación de la Ley 11/2013 de 26 de julio y de 30 días a partir de la publicación de la mencionada Ley y hasta la actualidad (a menos que se cumplan las condiciones establecidas en la misma, que permitirían elevar dicho plazo máximo de pago hasta los 60 días).

18. Administraciones Públicas y situación fiscal

La composición del epígrafe de saldos relacionados con la Hacienda Pública al 31 de diciembre de 2017 y 2016 es la siguiente:

	Miles de euros	
	2017	2016
Saldos deudores:		
No corriente-		
Activos por impuesto diferido	266	266
Corriente-		
Hacienda Pública deudora por IVA	62	-
Hacienda Pública deudora por conceptos fiscales	6	-
Hacienda Pública retenciones y pagos a cuenta	52	-
	386	266
Saldos acreedores:		
No corriente-		
Pasivos por impuesto diferido	60.552	60.649
Corriente-		
Hacienda Pública acreedora por IVA/IGIC	58	187
Hacienda Pública acreedora por IRPF	48	65
Organismos de la Seguridad Social, acreedores	52	61
Pasivos por impuesto corriente	141	7
	60.851	60.969

18.1 Conciliación resultado contable y base imponible fiscal

Al 31 de diciembre de 2017 y 2016 la base imponible fiscal ha sido calculada partiendo del resultado contable del ejercicio. La conciliación entre el resultado contable, la base imponible de Impuesto sobre Sociedades y la cuenta por cobrar o pagar existente por este concepto al 31 de diciembre de 2017 y 2016 es la siguiente:

	Miles de euros	
	2017	2016
Resultado contable antes de impuestos	(10.162)	(1.619)
Base Imponible régimen tipo general	564	540
Base Imponible contable SOCIMI	(10.726)	(2.159)
Cuota régimen general (25%)	141	135
Cuota régimen SOCIMI (0%)	-	-
Retenciones y pagos a cuenta	-	(128)
Hacienda Pública acreedora Impuesto sobre Sociedades	141	7

18.2 Conciliación del resultado del gasto por impuesto

	Miles de euros	
	2017	2016
Pérdida contable antes de impuestos	(10.162)	(1.619)
Resultado contable régimen general	564	540
Resultado contable régimen SOCIMI	(10.726)	(2.159)
Cuota Líquida en régimen General (25%)	141	138
Cuota Líquida en régimen SOCIMI (0%)	-	-
Ajuste por venta de activos (reversión pasivo por ID)	(97)	(3)
Otros Ajustes	23	-
Gastos por impuesto sobre sociedades	67	(135)
Impuesto Corriente	164	138
Impuesto Diferido	(97)	(3)

18.3 Pasivos por impuesto diferido

Tal y como se ha indicado en la Nota 5, los pasivos por impuesto diferido surgen, principalmente, de la integración de negocios realizada en el ejercicio 2016 y son originadas por las diferencias existentes entre los valores contables y los valores fiscales de los activos recibidos en las citadas transacciones.

El movimiento de los pasivos por impuesto diferido al 31 de diciembre de 2017 y 2016 es el siguiente:

	Miles de euros
Saldo inicial combinación de negocios	60.652
Bajas por venta de activos (Nota 18.2)	(3)
Total pasivo por impuesto diferido 31 de diciembre 2016	60.649
Bajas por venta de activos (Nota 18.2)	(97)
Total pasivo por impuesto diferido 31 de diciembre 2017	60.552

18.4 Ejercicios pendientes de comprobación y actuaciones inspectoras

Según establece la legislación vigente, los impuestos no pueden considerarse definitivamente liquidados hasta que las declaraciones presentadas hayan sido inspeccionadas por las autoridades fiscales o haya transcurrido el plazo de prescripción de cuatro años.

Al cierre del ejercicio 2017, la Sociedad tiene abiertos a inspección los ejercicios 2013 y siguientes del Impuesto sobre Sociedades y del ejercicio 2014 y siguiente para los demás impuestos que le son de aplicación. Los Administradores de la Sociedad consideran que se han practicado adecuadamente las liquidaciones de los mencionados impuestos, por lo que, aún en caso de que surgieran discrepancias en la interpretación normativa vigente por el tratamiento fiscal otorgado a las operaciones, los eventuales pasivos resultantes, en caso de materializarse, no afectarían de manera significativa a las cuentas anuales adjuntas.

Adicionalmente, en la Ley 34/2015, de 21 de septiembre, de modificación parcial de la Ley 58/2003, de 17 de diciembre, General Tributaria se establece que el derecho de la Administración para iniciar el procedimiento de comprobación de las bases o cuotas compensadas o pendientes de compensación o de deducciones aplicadas o pendientes de aplicación, prescribirá a los diez años a contar desde el día siguiente a aquel en que finalice el

plazo reglamentario establecido para presentar la declaración o autoliquidación correspondiente al ejercicio o periodo impositivo en que se generó el derecho a compensar dichas bases o cuotas o a aplicar dichas deducciones.

19. Exigencias informativas derivadas de la condición de SOCIMI, Ley 11/2009, modificada con la Ley 16/2012

- a) *Reservas procedentes de ejercicios anteriores a la aplicación del régimen fiscal establecido en la Ley 11/2009, modificado por la Ley 16/2012, de 27 de diciembre.*

El importe de las Reservas procedentes de ejercicios anteriores a la aplicación del régimen fiscal establecido en la Ley 11/2009, modificado por la Ley 16/2012, de 27 de diciembre, asciende a 31 de diciembre de 2017 y 2016 a 190.891 y 193.007 miles de euros, respectivamente, siendo el importe de la prima de emisión de 1.332.879 y 411.032 miles de euros, respectivamente.

- 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.*

En el ejercicio 2017 y 2016 no se han producido variaciones en las reservas.

Sujetas al tipo de gravamen del 0%	-
Sujetas al tipo de gravamen del 19%	-
Sujetas al tipo general de gravamen	-

- c) *Dividendos distribuidos con cargo a beneficios de cada ejercicio en que ha resultado aplicable el régimen fiscal establecido en esta Ley, diferenciando la parte que proceda 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 han sido distribuidos dividendos en el ejercicio 2017 y 2016 con cargo a beneficios ni con cargo a reservas en que ha resultado aplicable el régimen fiscal establecido en Ley 11/2009, modificado por la Ley 16/2012.

- 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.*

En el ejercicio 2017 y 2016 no se han distribuido dividendos con cargo a reservas.

Sujetas al tipo de gravamen del 0%	-
Sujetas al tipo de gravamen del 19%	-
Sujetas al tipo general de gravamen	-

- f) *Fecha de adquisición de los inmuebles destinados al arrendamiento y de las participaciones en el capital de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley.*

La fecha de adquisición de los inmuebles destinados al arrendamiento y de las participaciones en el capital de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley figuran incluidas en el Anexo II de las presentes cuentas anuales.

- g) *Identificación del activo que computa dentro del 80 por ciento a que se refiere el apartado 1 del artículo 3 de esta Ley.*

Todos los activos que mantiene la sociedad dentro de los epígrafes correspondientes computan dentro del 80 por ciento a que se refiere el apartado 1 del artículo 3 de Ley 11/2009, modificado por la Ley 16/2012.

- h) *Reservas procedentes de ejercicios en que ha resultado aplicable el régimen fiscal especial establecido en esta Ley, que se hayan dispuesto en el período impositivo, que no sea para su distribución o para compensar pérdidas, identificando el ejercicio del que proceden dichas reservas.*

En los ejercicios 2017 y 2016 no se han dispuesto de reservas.

20. Ingresos y gastos

20.1 Ingresos ordinarios

La distribución del importe neto de la cifra de negocios de los ejercicios 2017 y 2016 es la siguiente:

	Miles de euros	
	2017	2016
Ingresos por arrendamiento	47.556	8.460
Ingresos por prestación de servicios	504	551
Total importe neto de la cifra de negocios	48.060	9.011

La distribución de los ingresos por arrendamiento correspondiente a los ejercicios 2017 y 2016, distribuida por tipología de activo y por mercados geográficos, es la siguiente:

Ejercicio 2017

Comunidades Autónomas	Miles de euros	%
Madrid	28.755	60,47%
Cataluña	2.511	5,28%
Comunidad Valenciana	2.150	4,52%
Baleares	2.129	4,48%
Navarra	1.996	4,20%
País Vasco	1.992	4,19%
Castilla La Mancha	1.866	3,92%
Resto de comunidades	6.157	12,95%
Total	47.556	100%

Ejercicio 2016

Comunidades Autónomas	Miles de euros	%
Madrid	5.659	66,90%
Cataluña	175	2,07%
Comunidad Valenciana	417	4,93%
Baleares	500	5,91%
Navarra	487	5,76%
País Vasco	491	5,81%
Castilla La Mancha	467	5,52%
Resto de comunidades	262	3,09%
Total	8.460	100%

20.2 Gastos de personal

El detalle de los gastos por retribuciones a los empleados de los ejercicios 2017 y 2016, es la siguiente:

	Miles de euros	
	2017	2016
Sueldos, salarios y asimilados	2.497	1.863
Otras cargas sociales e impuestos	508	125
Total gastos de personal	3.005	1.988

20.3 Otros gastos de explotación

El detalle de este epígrafe de la cuenta de pérdidas y ganancias adjunta de los ejercicios 2017 y 2016 es el siguiente:

	Miles de euros	
	2017	2016
Servicios exteriores:		
Arrendamientos	207	28
Reparaciones y conservación	1.286	725
Servicios de profesionales independientes	15.653	1.991
Primas de seguros	155	31
Seguros	725	-
Servicios Bancarios	19	-
Publicidad y propaganda	125	-
Suministros	699	180
Otros gastos	226	927
Ingresos por gastos repercutidos	(2.076)	(447)
Tributos	6.744	1.170
Perdidas por deterioro de créditos comerciales (Nota 12)	397	66
Total otros gastos de explotación	24.160	4.669

Dentro del epígrafe "Servicios profesionales independientes" se incluye principalmente el gasto anual por el servicio de asesoría, planificación y gestión estratégica prestada por Merlin Properties, SOCIMI, S.A. (véase Nota 21.1).

20.4 Ingresos y gastos financieros

El desglose del saldo de estos capítulos de la cuenta de pérdidas y ganancias de los ejercicios 2017 y 2016 es el siguiente:

	Miles de euros	
	2017	2016
Intereses de depósitos y cuentas corrientes	23	1
Ingresos financieros	23	1
Intereses de préstamos y otros	(7.986)	(1.136)
Gastos financieros	(7.986)	(1.136)
Variación de valor razonable en instrumentos (Notas 15 y 16)	(5.543)	-
Deterioro y resultado por enajenaciones de instrumentos financieros (Nota 10)	(1.201)	-
Resultado financiero	(14.707)	(1.135)

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Dentro de la cuenta "Intereses de préstamos y otros" se incluye la amortización de los gastos de formalización de deuda por importe de 2.486 miles de euros del ejercicio 2017, por la aplicación del tipo de interés efectivo en la deuda financiera y la cancelación del anterior préstamo sindicado (véase Nota 15), de los cuales 1.882 miles de euros corresponden a los gastos de formalización imputados por la cancelación de los préstamos mencionados en la Nota 15.

21. Operaciones y saldos con empresas del Grupo, asociadas y partes vinculadas

21.1 Operaciones con vinculadas

La Sociedad realiza todas sus operaciones con vinculadas a valores de mercado. Adicionalmente, los precios de transferencia se encuentran adecuadamente soportados, por lo que los Administradores de la Sociedad consideran que no existen riesgos significativos por este aspecto de los que puedan derivarse pasivos de consideración en el futuro. El detalle de operaciones realizadas con empresas vinculadas durante los ejercicios 2017 y 2016 es el siguiente:

Ejercicio 2017

	Miles de euros			
	Otros gastos de explotación	Gastos financieros	Ingresos por arrendamiento	Ingresos por prestación de servicios
Merlin Properties, SOCIMI, S.A.	9.285	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	1.162	-	120
Banco Santander, S.A.	-	4.937	161	384
TOTAL	9.285	6.099	161	504

Ejercicio 2016

	Miles de euros			
	Otros gastos de explotación	Gastos financieros	Ingresos por prestación de servicios	Ingresos por prestación de servicios
Merlin Properties SOCIMI, S.A.	1.532	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	121	169	169
Banco Santander, S.A.	-	630	549	549
TOTAL	1.532	751	718	718

En el ejercicio 2016 la Sociedad suscribió un contrato de prestación de servicios con Merlin Properties, SOCIMI, S.A. para la prestación de servicios de asesoría, planificación y gestión estratégica de los negocios, activos y pasivos a cambio de una contraprestación económica anual de 7,7 millones de euros (actualizable anualmente al 1,5%), la duración del contrato es de 30 años y en caso de resolución anticipada por parte de la Sociedad o como consecuencia de determinados situaciones, Merlin Properties, SOCIMI, S.A. tendrá derecho a percibir una contraprestación equivalente al valor actual de la remuneración del contrato de servicios por todos los años vigentes del contrato.

Con fecha 3 de enero de 2018, la Sociedad ha notificado a Merlin Properties, SOCIMI, S.A. el desistimiento del mencionado contrato de servicios con efectos 19 de enero de 2018 (véase Nota 25).

21.2 Saldos con empresas del Grupo, asociadas vinculadas

El importe de los saldos con vinculadas en el balance al 31 de diciembre de 2017 y 2016 es el siguiente:

Ejercicio 2017

	Miles de euros					
	Cuenta corriente y otras deudas con empresas del Grupo y vinculadas	Créditos con empresas Grupo	Proveedores	Otros pasivos (Nota 16)	Deuda con entidades de Crédito	Efectivo y otros activos líquidos
Testa Alquileres Urbanos, S.L.U. (*)	51.735	-	-	-	-	-
Compañía del Coto Urbanizadora, S.L.	(353)	80.309	-	-	-	-
Acciona Real Estate S.L. (Nota 16)	5.400	-	-	355.565	-	-
Merlin Properties, SOCIMI, S.A.	-	-	2.357	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	-	-	25
Banco Popular, S.A.	-	-	-	-	-	-
Banco Santander, S.A.	-	-	-	-	55.027	55.405
TOTAL	56.782	80.309	2.357	355.565	55.027	55.430

(*) Anteriormente denominada Metrovacesa Alquileres Urbanos, S.A.U.

Ejercicio 2016

	Miles de euros				
	Cuenta corriente y otras deudas con empresas del Grupo y asociadas	Cientes comerciales y otras cuentas por cobrar	Proveedores	Deuda con entidades de Crédito	Efectivo y otros activos líquidos
Metrovacesa Alquileres Urbanos, S.A.U.	51.844	-	-	-	-
Merlin Properties, SOCIMI, S.A.	-	11	2.745	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	(464)	-	-	51.371	-
Banco Popular, S.A.	-	-	-	-	13
Banco Santander, S.A.	-	-	-	221.268	25.005
TOTAL	51.380	11	2.745	272.639	25.018

Dentro de los epígrafes "Cuentas corrientes acreedoras" se incluye principalmente la financiación aportada y recibida de la Sociedad con empresas del Grupo y vinculadas. Dichos contratos se han articulado a través de un contrato de cuenta corriente entre la Sociedad y las sociedades del Grupo y asociadas. Dichas cuentas corrientes no devengan tipo de interés alguno.

Adicionalmente, en "Créditos con empresas del grupo" se incluye una financiación entre Testa Residencial, SOCIMI, S.A. y Compañía Urbanizadora del Coto, S.L.U. firmada con fecha 19 de diciembre de 2017. El vencimiento de dicho préstamo es con fecha 19 de diciembre de 2025 y tiene un interés aplicable de Euribor más un margen de 120 puntos básicos.

21.3 Retribuciones al Consejo de Administración y a la Alta Dirección

Las retribuciones percibidas durante el ejercicio 2017 y 2016 por los miembros del Consejo de Administración y la alta dirección de Testa Residencial, SOCIMI, S.A., clasificadas por conceptos, han sido las siguientes (en miles de euros):

Ejercicio 2017:

	Sueldos	Dietas	Otros Conceptos	Planes de Pensiones	Primas de Seguros (1)	Indemnizaciones por Cese	Pagos Basados en Instrumentos de Patrimonio	Retribución personas físicas que representan a la Sociedad (2)
Consejo de Administración y Alta Dirección	738	-	-	-	7	-	-	-

Ejercicio 2016:

	Sueldos	Dietas	Otros Conceptos	Planes de Pensiones	Primas de Seguros (1)	Indemnizaciones por Cese	Pagos Basados en Instrumentos de Patrimonio	Retribución personas físicas que representan a la Sociedad (2)
Consejo de Administración y Alta Dirección	178	-	-	-	2	-	-	-

(1) Incluye el importe satisfecho por la prima de seguro de responsabilidad civil de los Administradores por daños ocasionados por actos u omisiones, por importe de 19 miles euros.

(2) Incluye las remuneraciones satisfechas a las personas físicas que representan a la Sociedad en el órgano de administración de otras entidades.

No existen anticipos ni créditos concedidos a los miembros del Consejo de Administración y a la alta dirección de Testa Residencial, SOCIMI, S.A. al cierre del ejercicio 2017 ni 2016.

A la fecha de formulación de las presentes cuentas anuales los Administradores de la Sociedad están formados por 9 varones y 1 mujer (al 31 de diciembre de 2016 estaba formado por 10 varones).

21.4 Información en relación con situaciones de conflicto de intereses por parte de los Administradores

En el ejercicio 2017 los miembros del Consejo de Administración de Testa Residencial SOCIMI, S.A. no han comunicado a los demás miembros del Consejo situación alguna de conflicto, directo o indirecto, que ellos o personas vinculadas a ellos, según se define en la Ley de Sociedades de Capital, pudieran tener con el interés de la Sociedad.

22. Otra información

22.1 Personal

El número medio de empleados de la Sociedad a 31 de diciembre de 2017 y 2016 desglosado por categorías es el siguiente:

	Número de empleados	
	2017	2016
Consejeros ejecutivos	1	1
Alta Dirección	4	4
Resto empleados	56	45
Total	61	50

Asimismo, la distribución por sexos la Sociedad al término de los ejercicios 2017 y 2016 es como sigue:

	31.12.2017		31.12.2016	
	Mujeres	Hombres	Mujeres	Hombres
Consejeros ejecutivos	-	1	-	1
Alta Dirección	1	3	1	3
Resto de empleados	33	23	30	15
Total	34	27	31	19

La Sociedad no dispone de personal empleado durante los ejercicios 2017 ni 2016, con discapacidad mayor o igual del 33%.

22.2 Honorarios de auditoría

Durante el ejercicio 2017 y 2016, los importes por honorarios cargados relativos a los servicios de auditoría de cuentas y a otros servicios prestados por el auditor de la sociedad, Deloitte, S.L., o por una empresa vinculada al auditor por control, propiedad común o gestión han sido los siguientes:

	Miles de euros	
	2017	2016
Servicios de Auditoría	120	70
Otros servicios de verificación	27	-
Total servicios de Auditoría y relacionados	147	70
Total Servicios Profesionales	147	70

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23. Información sobre la gestión del Riesgo Financiero

Factores de riesgo financiero

Las actividades de la Sociedad están expuestas a diversos riesgos financieros: riesgo de mercado, riesgo de crédito, riesgo de liquidez y riesgo del tipo de interés en los flujos de efectivo. El programa de gestión del riesgo global de la Sociedad se centra en la incertidumbre de los mercados financieros y trata de minimizar los efectos potenciales adversos sobre la rentabilidad financiera de la Sociedad.

La gestión del riesgo está controlada por la Alta Dirección de la Sociedad con arreglo a políticas aprobadas por el Consejo de Administración. La Alta Dirección identifica, evalúa y cubre los riesgos financieros en estrecha colaboración con las unidades operativas de la Sociedad. El Consejo proporciona políticas escritas para la gestión del riesgo global, así como para materias concretas tales como, riesgo de mercado, riesgo de tipo de interés, riesgo de liquidez e inversión del excedente de liquidez.

Riesgo de mercado

Atendiendo a la situación actual del sector inmobiliario, y con el fin de minimizar el impacto que ésta puede provocar, la Sociedad tiene establecidas medidas concretas que tiene previsto adoptar para minimizar dicho impacto en su situación financiera.

La aplicación de estas medidas está subordinada a los resultados de los análisis de sensibilidad que la Sociedad realiza de forma recurrente. Estos análisis tienen en cuenta:

- Entorno económico en el que desarrolla su actividad: Diseño de diferentes escenarios económico modificando las variables clave que pueden afectar a la Sociedad (tipos de interés, precio de las acciones, % de ocupación de las inversiones inmobiliarias, etc.). Identificación de aquellas variables interdependientes y su nivel de vinculación.
- Marco temporal en el que se está haciendo la evaluación: Se tendrá en cuenta el horizonte temporal del análisis y sus posibles desviaciones.

Riesgo de crédito

Se define como el riesgo de pérdida financiera al que se enfrenta la Sociedad si un cliente o contraparte no cumple con sus obligaciones contractuales.

Con carácter general la Sociedad mantiene su tesorería y activos líquidos equivalentes en entidades financieras de alto nivel crediticio.

La Sociedad tiene políticas para limitar el volumen de riesgo con los clientes y la exposición al riesgo en la recuperación de créditos se administra como parte de las actividades normales, a través, entre otros aspectos por la obtención de fianzas y avales.

La Sociedad cuenta con procedimientos formales para la detección del deterioro de créditos comerciales. Mediante estos procedimientos y el análisis individual por áreas de negocio, se identifican retrasos en los pagos y se establecen los métodos a seguir para estimar la pérdida por deterioro.

Efectivo y equivalentes de efectivo

La Sociedad mantiene efectivo y equivalentes de efectivo al 31 de diciembre de 2017 por 62.321 miles de euros que representan su máxima exposición al riesgo por estos activos.

El efectivo y equivalentes de efectivo son mantenidos con bancos e instituciones financieras.

Riesgo de liquidez

Se define como el riesgo de que la Sociedad tenga dificultades para cumplir con sus obligaciones asociadas a sus pasivos financieros que son liquidados mediante la entrega de efectivo o de otros activos financieros.

La Sociedad lleva a cabo una gestión prudente del riesgo de liquidez, fundada en el mantenimiento de suficiente liquidez para cumplir con sus obligaciones cuando vencen, tanto en condiciones normales como de tensión, sin incurrir en pérdidas inaceptables o arriesgar la reputación de la Sociedad.

Al 31 de diciembre de 2017 el fondo de maniobra de la Sociedad es negativo en un importe de 912 miles de euros, derivado fundamentalmente de la deuda contraída con su participada Testa Alquileres Urbanos, S.A.U. Los Administradores estiman que la deuda con su filial se renovará en el ejercicio 2018 por al menos un ejercicio, por lo que el fondo de maniobra descontando el efecto de la mencionada deuda ascendería a 50.823 miles de euros positivo.

En relación con la deuda con su participada, los Administradores estiman que se renovará en el ejercicio 2018 por al menos un ejercicio.

Riesgo de solvencia

A 31 de diciembre de 2017 el endeudamiento financiero neto bancario de la Sociedad ascendía a 411.094 miles de euros tal como se muestra en el siguiente cuadro:

	Miles de euros
Deuda financiera bruta bancaria:	
Préstamo sindicado	348.512
Préstamos hipotecarios	124.602
Intereses devengados	301
Tesorería y equivalentes	(62.321)
Endeudamiento financiero neto bancario	411.094

Riesgo de tipo de cambio

La Sociedad no tiene exposición al riesgo de fluctuaciones en los tipos de cambio pues realiza sus operaciones en moneda funcional.

Riesgo fiscal

Tal y como se menciona en la Nota 1, la Sociedad se acogió al régimen fiscal especial de la Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI). Según lo establecido en el artículo 6 de la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre las SOCIMI, las sociedades que han optado por dicho régimen están 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 siguientes a la conclusión de cada ejercicio y pagarse dentro del mes siguiente a la fecha del acuerdo de distribución (Nota 3.1).

Al 31 de diciembre de 2017, la Sociedad Dominante no cumple el requisito asociado a la incorporación de sus acciones al mercado bursátil, cuya fecha límite es el 22 de septiembre de 2018. En este sentido, el Consejo de Administración ha aprobado en su sesión del 30 de noviembre de 2017, el inicio del proceso que permitirá incorporar las acciones de la Sociedad al mercado continuo en los próximos meses. Por este motivo, y considerando el apoyo de los Accionistas, los Administradores de la Sociedad estiman que el requisito de cotización junto con el resto de requisitos exigidos para poder aplicar el régimen fiscal especial, se cumplirán según los términos establecidos por la normativa vigente, y que la Sociedad permanecerá acogida al régimen SOCIMI.

24. Garantías comprometidas con terceros y otros pasivos contingentes

A 31 de diciembre de 2017 y 2016 la Sociedad tiene garantías prestadas a terceros por importe de 265 y 265 miles de euros, respectivamente, así mismo, no tiene pasivos contingentes significativos.

25. Hechos posteriores

Cancelación del contrato de servicios suscrito con Merlin Properties SOCIMI, S.A.

Conforme a la decisión adoptada por el Consejo de Administración de la Sociedad el 22 de diciembre de 2016, y una vez transcurridos los plazos y cumplidas las condiciones que para ello establece el contrato de servicios suscrito con Merlin Properties SOCIMI, S.A., la Sociedad de conformidad con lo previsto en la cláusula 9.3. ha notificado a Merlin Properties, SOCIMI, S.A. el desistimiento del mencionado contrato con efectos 19 de enero de 2018.

Habiéndose confirmado con el regulador el tratamiento contable de la citada cancelación, el impacto de dicho desistimiento implicará que la Sociedad registrará un gasto por importe de 108.563 miles de euros (que incluye la parte correspondiente al IVA no recuperable) en sus estados financieros del ejercicio 2018 en concepto de compensación por cancelación del contrato así como inicialmente un pasivo por el mismo importe ante Merlin Properties SOCIMI, S.A. No obstante, dicho pasivo puede ser liquidado en caja o mediante la entrega de acciones de Testa Residencial SOCIMI, S.A., a voluntad de la Sociedad.

En este sentido, con fecha 26 de marzo de 2018, la Junta General de Accionistas de Testa Residencial SOCIMI, S.A. ha aprobado una ampliación de capital social por compensación de créditos por importe de 89.721 miles de euros, mediante la emisión de 640.693.342 nuevas acciones de 0,01 euros de valor nominal cada una de ellas (6.407 miles de euros), con una prima de emisión de 0,130037800013383 euros por acción emitida (83.314 miles de euros). Dicha ampliación de capital ha sido suscrita en su totalidad por Merlin Properties SOCIMI, S.A. El importe restante, correspondiente al Impuesto sobre el Valor Añadido, que ascendía a 18.842 miles de euros ha sido liquidado en efectivo.

Plan de incentivos a largo plazo a directivos y exit bonus

Con fecha 26 de marzo de 2018 el Consejo de Administración de la Sociedad ha aprobado convocar la Junta General Ordinaria de accionistas, que incluye en su orden del día la propuesta de admisión a negociación de las acciones de la Sociedad en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia. En ese contexto, el Consejo de Administración ha aprobado un plan de incentivos a largo plazo para ciertos directivos. Dicho plan tendrá una duración de cinco años y estará ligado al cumplimiento de ciertos indicadores financieros ligados al valor de las acciones de la Compañía una vez admitidas a negociación para su devengo. El importe máximo que recibirían todos los beneficiarios del plan ascenderá a un importe máximo aproximado de 1,8 Millones de euros al año. El plan será pagadero en efectivo y en acciones a partes iguales.

Asimismo, el Consejo de Administración ha aprobado un plan de incentivo pagadero en acciones de la Sociedad por los accionistas mayoritarios de la Sociedad a directivos clave y otros empleados para el caso de salida a Bolsa. El número de acciones a entregar los directivos clave estará ligado a un criterio de permanencia y al precio de las acciones en su fecha de admisión. La cantidad de acciones para el resto de empleados es fija y está solo ligada al criterio de permanencia.

La Sociedad contabilizará ambos planes de acuerdo a los requisitos exigidos en la NIIF 2 para acuerdos con pagos basados en acciones.

Adquisición de una cartera de viviendas

Con fecha 23 de marzo de 2018, la Sociedad ha suscrito con un tercero un contrato de compraventa para la adquisición de 1.458 viviendas, por un importe de aproximadamente 228 millones de euros. De acuerdo con las condiciones del contrato, la efectividad del mismo está sujeto al cumplimiento de determinadas condiciones suspensivas, habituales en este tipo de transacciones, que se estima se cumplirán en los próximos meses. La financiación de esta adquisición se llevará a cabo a través de la disposición parcial de la deuda sindicada suscrita en diciembre de 2017.

Anexo II - Se detalla la relación de bienes de Testa Residencial, SOCIMI, S.A.

Nº activo	Nombre activo	Población	Provincia	Calle	Nº (edificio)	Fincas Registrales
1	PAVONES	Madrid	Madrid	CL Fuente Carrantera	36 A-L	119 Fincas Registrales RP Nº 8 MADRID 43434, 43435, 43436, 43437, 43438, 43439, 43440, 43441, 43444, 43445, 43446, 43447, 43448, 43449, 43450, 43451, 43452, 43453, 43454, 43455, 43456, 43457, 43458, 43459, 43460, 43461, 43462, 43463, 43464, 43465, 43466, 43467, 43468, 43469, 43470, 43471, 43472, 43473, 43474, 43475, 43476, 43477, 43478, 43479, 43480, 43481, 43482, 43483, 43484, 43485, 43486, 43487, 43488, 43489, 43490, 43491, 43492, 43493, 43494, 43495, 43496, 43497, 43498, 43499, 43500, 43501, 43502, 43503, 43504, 43505, 43506, 43507, 43508, 43509, 43510, 43511, 43512, 43513, 43514, 43515, 43516, 43517, 43518, 43519, 43520, 43521, 43522, 43524, 43525, 43526, 43527, 43528, 43529, 43530, 43531, 43532, 43534, 43535, 43536, 43537, 43538, 43539, 43540, 43541, 43542, 43543, 43544, 43545, 43546, 43547, 43548, 43549, 43550, 43551, 43552, 43442, 43443, 43523, 43533.
2	VALDEBERNARDO	Madrid Madrid Madrid	Madrid Madrid Madrid	CL Pergamino CL Copernico CL Ana Mariscal	17,19,21 10,12,14 1,3	106 Fincas Registrales RP Nº39 MADRID 15769, 15159, 15161, 15163, 15165, 15167, 15169, 15171, 15173, 15175, 15177, 15179, 15181, 15183, 15185, 15187, 15189, 15191, 15193, 15195, 15197, 15199, 15201, 15203, 15205, 15207, 15209, 15211, 15213, 15215, 15217, 15219, 15221, 15223, 15225, 15227, 15229, 15231, 15233, 15235, 15237, 15239, 15241, 15243, 15245, 15247, 15249, 15251, 15253, 15255, 15257, 15259, 15261, 15263, 15267, 15269, 15271, 15273, 15275, 15277, 15279, 15281, 15283, 15285, 15287, 15289, 15295, 15297, 15299, 15301, 15303, 15305, 15307, 15309, 15315, 15317, 15319, 15321, 15323, 15325, 15327, 15329, 15333, 15335, 15337, 15339, 15341, 15343, 15345, 15347, 15349, 15351, 15353, 15355, 15265, 15291, 15293, 15311, 15313, 15331, 15357, 15359, 15361, 15363, 15365, 15367.
3	ALCORCONI	Alcorcón	Madrid	CL Estocolmo	1,3,5,7,9, 11,13,15, 17,19	189 Fincas Registrales RP Nº2 ALCORCON 45772, 45774, 45776, 45778, 45780, 45782, 45784, 45786, 45788, 45768, 45770, 45744, 45746, 45748, 45750, 45752, 45754, 45756, 45758, 45760, 45762, 45764, 45766, 45736, 45738, 45740, 45742, 45708, 45710, 45712, 45714, 45716, 45718, 45720, 45722, 45724, 45726, 45728, 45730, 45732, 45734, 45700, 45702, 45704, 45706, 45668, 45670, 45672, 45674, 45676, 45678, 45680, 45682, 45684, 45686, 45688, 45690, 45692, 45694, 45696, 45698, 45664, 45666, 45628, 45630, 45632, 45634, 45636, 45638, 45640, 45642, 45644, 45646, 45648, 45650, 45652, 45654, 45656, 45658, 45592, 45594, 45596, 45598, 45600, 45602, 45604, 45606, 45608, 45610, 45612, 45614, 45616, 45618, 45620, 45622, 45556, 45558, 45560, 45562, 45564, 45566, 45568, 45570, 45572, 45574, 45576, 45578, 45580, 45582, 45584, 45586, 45552, 45554, 45520, 45522, 45524, 45526, 45528, 45530, 45532, 45534, 45536, 45538, 45540, 45542, 45544, 45546, 45512, 45514, 45516, 45518, 45488, 45490, 45492, 45494, 45496, 45498, 45500, 45502, 45504, 45506, 45508, 45510, 45480, 45482, 45484, 45486, 45462, 45464, 45466, 45468, 45470, 45472, 45474, 45476, 45478, 45456, 45458, 45460, 45548, 45550, 45588, 45590, 45624, 45626, 45660, 45662, 45790, 45792, 45794, 45796, 45798, 45800, 45802, 45804, 45806, 45808, 45810, 45812, 45814, 45816, 45818, 45820, 45822, 45824, 45826, 45828, 45830, 45832.

TESTA RESIDENCIAL, SOCIMI, S.A.

Cuentas Anuales e Informe de Gestión. Ejercicio 2017. 61 de 95

4	PLAZA DE CASTILLA	Madrid Madrid Madrid	Madrid Madrid Madrid	CL San Benito PS Castellana CL San Benito	5 193 3	2 Fincas Registrales RP Nº 24 MADRID 14191, 14192
5	ALAMEDA DE OSUNA	Madrid	Madrid	CL Alameda de Osuna	48 A-E	95 Fincas Registrales RP Nº 48 MADRID 10709, 10710, 10711, 10712, 10713, 10714, 10715, 10716, 10717, 10718, 10719, 10720, 10721, 10722, 10723, 10724, 10725, 10726, 10727, 10728, 10729, 10730, 10731, 10732, 10733, 10734, 10735, 10736, 10737, 10738, 10739, 10740, 10741, 10742, 10743, 10744, 10745, 10746, 10747, 10748, 10749, 10750, 10751, 10752, 10753, 10754, 10755, 10756, 10757, 10758, 10759, 10760, 10761, 10762, 10763, 10764, 10765, 10766, 10767, 10768, 10769, 10770, 10771, 10772, 10773, 10774, 10775, 10776, 10777, 10778, 10779, 10780, 10781, 10782, 10783, 10784, 10785, 10786, 10787, 10788, 10789, 10790, 10791, 10792, 10793, 10794, 10795, 10796, 10797, 10798, 10799, 10800, 10801, 10802, 10803.
6	HYDRA	Móstoles	Madrid	CL Hydra	10,12,14, 16,18,20, 22,24,26, 28	102 Fincas Registrales RP Nº 2 ALCORCON 17530, 17532, 17534, 17536, 17538, 17540, 17542, 17544, 17546, 17548, 17550, 17552, 17554, 17556, 17558, 17560, 17562, 17564, 17566, 17568, 17570, 17572, 17574, 17576, 17578, 17580, 17582, 17586, 17588, 17590, 17592, 17594, 17600, 17604, 17606, 17608, 17610, 17614, 17616, 17618, 17620, 17622, 17624, 17626, 17628, 17630, 17632, 17634, 17636, 17638, 17640, 17642, 17644, 17646, 17648, 17650, 17652, 17654, 17656, 17658, 17660, 17662, 17664, 17668, 17670, 17672, 17674, 17676, 17678, 17680, 17682, 17684, 17686, 17688, 17690, 17692, 17694, 17696, 17698, 17700, 17702, 17704, 17706, 17708, 17710, 17712, 17714, 17716, 17718, 17720, 17724, 17726, 17728, 17730, 17732, 17734, 17736, 17738, 17740, 17742, 17744, 17746.
7	CEFEQ	Móstoles	Madrid	CL Cefeo	14,16,18	90 Fincas Registrales RP Nº1 MOSTOLES 22060, 22062, 22064, 22066, 22068, 22070, 22072, 22074, 22076, 22078, 22082, 22084, 22086, 22088, 22090, 22092, 22094, 22096, 22098, 22100, 22102, 22104, 22106, 22108, 22110, 22112, 22114, 22116, 22118, 22120, 22122, 22124, 22126, 22128, 22130, 22132, 22134, 22136, 22138, 22140, 22142, 22144, 22146, 22148, 22152, 22154, 22156, 22158, 22160, 22162, 22164, 22166, 22168, 22170, 22172, 22174, 22176, 22178, 22180, 22182, 22184, 22186, 22188, 22190, 22192, 22194, 22196, 22198, 22200, 22202, 22204, 22206, 22208, 22210, 22212, 22214, 22216, 22218, 22220, 22222, 22224, 22226, 22228, 22230, 22232, 22234, 22236, 22238, 22240, 22242.
8	CAMPO DE TIRO	Leganés	Madrid	CL Encina	6 y 8	183 Fincas Registrales RP Nº1 LEGANES 26124, 26125, 26126, 26127, 26128, 26129, 26130, 26131, 26132, 26133, 26134, 26135, 26136, 26137, 26138, 26139, 26140, 26141, 26142, 26143, 26144, 26145, 26146, 26147, 26148, 26149, 26150, 26151, 26152, 26153, 26154, 26155, 26156, 26157, 26158, 26159, 26160, 26161, 26162, 26163, 26164, 26165, 26166, 26167, 26168, 26169, 26170, 26171, 26172, 26173, 26174, 26175, 26176, 26177, 26178, 26179, 26180, 26181, 26182, 26183, 26184, 26185, 26186, 26187, 26188, 26189, 26190, 26191, 26192, 26193, 26194, 26195, 26196, 26197, 26198, 26199, 26200, 26201, 26202, 26203, 26204, 26205, 26206, 26207, 26208, 26209, 26210, 26211, 26212, 26213, 26214, 26215, 26216, 26217, 26218, 26219, 26220, 26221, 26222, 26223, 26224, 26225, 26226, 26227, 26228, 26229, 26230, 26231, 26232, 26233, 26234, 26235, 26236, 26237, 26238, 26239, 26240, 26241, 26242, 26243, 26244, 26245, 26246, 26247, 26248, 26249, 26250, 26251, 26252, 26253, 26254, 26255, 26256, 26257, 26258, 26259, 26260, 26261, 26262, 26263, 26264, 26265, 26266, 26267, 26268, 26269, 26270, 26271, 26272, 26273, 26274, 26275, 26276, 26277, 26278, 26279, 26280,

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9	USERA	Madrid	Madrid	CL Simca	10,12,14	296 Fincas Registrales RP Nº16 MADRID 112917, 112918, 112919, 112920, 112921, 112922, 112923, 112924, 112925, 112926, 112927, 112928, 112929, 112930, 112931, 112932, 112933, 112934, 112935, 112936, 112937, 112938, 112939, 112940, 112941, 112942, 112943, 112944, 112945, 112946, 112947, 112948, 112949, 112950, 112951, 112952, 112953, 112954, 112955, 112956, 112957, 112958, 112959, 112960, 112961, 112962, 112963, 112964, 112965, 112966, 112967, 112968, 112969, 112970, 112971, 112972, 112973, 112974, 112975, 112976, 112977, 112978, 112979, 112980, 112981, 112982, 112983, 112984, 112985, 112986, 112987, 112988, 112989, 112990, 112991, 112992, 112993, 112994, 112995, 112996, 112997, 112998, 112999, 113000, 113001, 113002, 113003, 113004, 113005, 113006, 113007, 113008, 113009, 113010, 113011, 113012, 113013, 113014, 113015, 113016, 113017, 113018, 113019, 113020, 113021, 113022, 113023, 113024, 113025, 113026, 113027, 113028, 113029, 113030, 113031, 113032, 113033, 113034, 113035, 113036, 113037, 113038, 113039, 113040, 113041, 113042, 113043, 113044, 113045, 113046, 113047, 113048, 113049, 113050, 113051, 113052, 113053, 113054, 113055, 113056, 113057, 113058, 113059, 113060, 113061, 113062, 113063, 113064, 113065, 113066, 113067, 113068, 113069, 113070, 113071, 113072, 113073, 113074, 113075, 113076, 113077, 113078, 113079, 113080, 113081, 113082, 113083, 113084, 113085, 113086, 113087, 113088, 113089, 113090, 113091, 113092, 113093, 113094, 113095, 113096, 113097, 113098, 113099, 113100, 113101, 113102, 113103, 113104, 113105, 113106, 113107, 113108, 113109, 113110, 113111, 113112, 113113, 113114, 113115, 113116, 113117, 113118, 113119, 113120, 113121, 113122, 113123, 113124, 113125, 113126, 113127, 113128, 113129, 113130, 113131, 113132, 113133, 113134, 113135, 113136, 113137, 113138, 113139, 113140, 113141, 113142, 113143, 113144, 113145, 113146, 113147, 113148, 113149, 113150, 113151, 113152, 113153, 113154, 113155, 113156, 113157, 113158, 113159, 113160, 113161, 113162, 113163, 113164, 113165, 113166, 113167, 113168, 113169, 113170, 113171, 113172, 113173, 113174, 113175, 113176, 113177, 113178, 113179, 113180, 113181, 113182, 113183, 113184, 113185, 113186, 113187, 113188, 113189, 113190, 113191, 113192, 113193, 113194, 113195, 113196, 113197, 113198, 113199, 113200, 113201, 113202, 113203, 113204, 113205, 113206, 113207, 113208, 113209, 113210, 113211, 113212.
10	MIRADOR DEL SUR	Villaverde	Madrid	CL Lenguas	4-6	18 Fincas Registrales RP Nº16 MADRID 119118, 119174, 119175, 119176, 119178, 119179, 119183, 119229, 119233, 119235, 119237, 119243, 119245, 119248, 119249, 119251, 119252, 119253.

11	ESCUELA DE VALLECAS	Madrid	Madrid	CL Escuela De Vallecas	12	178 Fincas Registrales RP Nº20 MADRID 35811, 35813, 35815, 35817, 35821, 35823, 35825, 35827, 35829, 35831, 35833, 35835, 35837, 35839, 35841, 35849, 35851, 35853, 35855, 35857, 35859, 35861, 35863, 35865, 35867, 35869, 35877, 35879, 35881, 35883, 35885, 35887, 35889, 35891, 35893, 35895, 35897, 35905, 35907, 35909, 35911, 35913, 35915, 35917, 35919, 35921, 35923, 35933, 35935, 35937, 35939, 35941, 35943, 35945, 35947, 35949, 35951, 35961, 35963, 35965, 35967, 35969, 35971, 35973, 35975, 35977, 35979, 35989, 35991, 35993, 35995, 35997, 35999, 36001, 36003, 36005, 36007, 36009, 36011, 36013, 35547, 35549, 35551, 35553, 35555, 35557, 35559, 35561, 35563, 35565, 35567, 35569, 35571, 35573, 35575, 35577, 35579, 35581, 35583, 35585, 35587, 35589, 35591, 35615, 35617, 35619, 35621, 35623, 35625, 35627, 35629, 35631, 35633, 35635, 35637, 35639, 35641, 35643, 35645, 35647, 35649, 35651, 35653, 35655, 35657, 35659, 35661, 35663, 35665, 35667, 35669, 35671, 35673, 35675, 35677, 35679, 35701, 35703, 35705, 35707, 35709, 35711, 35713, 35715, 35717, 35719, 35721, 35723, 35725, 35727, 35729, 35731, 35733, 35735, 35737, 35739, 35741, 35743, 35745, 35747, 35749, 35751, 35753, 35755, 35757, 35759, 35761, 35763, 35765, 35767, 35769, 35791, 35793, 35795, 35801, 35803, 35805, 35807.
12	EMBALSE NAVACERRADA	Madrid	Madrid	CL Embalse De Navacerrada	51	135 Fincas Registrales RP Nº20 MADRID 31845, 31847, 31849, 31851, 31853, 31855, 31857, 31859, 31861, 31863, 31865, 31867, 31869, 31871, 31873, 31875, 31877, 31879, 31881, 31883, 31885, 31887, 31889, 31891, 31893, 31895, 31897, 31899, 31901, 31903, 31905, 31907, 31909, 31775, 31777, 31779, 31781, 31783, 31785, 31787, 31789, 31791, 31793, 31795, 31797, 31799, 31801, 31803, 31805, 31807, 31809, 31811, 31813, 31815, 31817, 31819, 31821, 31823, 31825, 31827, 31829, 31831, 31833, 31835, 31837, 31839, 31841, 31843, 32113, 32115, 32117, 32119, 32121, 32123, 32125, 32127, 32139, 32141, 32143, 32145, 32147, 32149, 32151, 32153, 32155, 32157, 32159, 32161, 32163, 32165, 32167, 32169, 32171, 32173, 32175, 32177, 32179, 32181, 32183, 32185, 32187, 32189, 32191, 32193, 32195, 32197, 32199, 32201, 32253, 32255, 32257, 32259, 32261, 32271, 32273, 32275, 32277, 32279, 32281, 32283, 32285, 32287, 32289, 32291, 32293, 32295, 32297, 32299, 32301, 32303, 32305, 32307, 32309, 32311, 32313.
13	J.A. MENDIZÁBAL	Madrid	Madrid	CL Juan Álvarez Mendizábal	61	1 Finca Registral RP Nº4 MADRID 1450
14	LOS MISTERIOS	Madrid	Madrid	CL Los Misterios	28	1 Finca Registral RP Nº17 MADRID 697

15	C. VENADITO	Madrid	Madrid	CL Condesa De Venadito	18-24	248 Fincas Registrales RP Nº36 MADRID 33833, 33835, 33837, 33839, 33841, 33843, 33845, 33847, 33849, 33851, 33853, 33855, 33857, 33859, 33861, 33863, 33865, 33869, 33871, 33873, 33875, 33877, 33881, 33883, 33885, 33887, 33889, 33891, 33893, 33895, 33897, 33899, 33901, 33903, 33905, 33907, 33909, 33911, 33913, 33915, 33917, 33919, 33921, 33923, 33925, 33927, 33929, 33931, 33933, 33935, 33937, 33939, 33941, 33943, 33945, 33947, 33951, 33953, 33955, 33957, 33959, 33961, 33963, 33965, 33967, 33969, 33971, 33973, 33975, 33977, 33979, 33981, 33983, 33985, 33987, 33989, 33991, 33993, 33995, 33997, 33999, 34001, 34003, 34005, 34007, 34009, 34011, 34013, 34015, 34017, 34019, 34021, 34023, 34025, 34027, 34029, 34031, 34033, 34037, 34039, 34041, 34043, 34047, 34049, 34051, 34053, 34055, 34057, 34059, 34061, 34063, 34065, 34067, 34069, 34071, 34073, 34075, 34077, 34081, 34083, 34085, 34087, 34089, 34091, 34093, 34095, 34097, 34099, 34101, 34107, 34109, 34111, 34113, 34115, 34117, 34119, 34121, 34123, 34125, 34127, 34129, 34131, 34133, 34135, 34137, 34139, 34141, 34143, 34145, 34147, 34149, 34151, 34153, 34155, 34157, 34159, 34161, 34163, 34165, 34167, 34169, 34171, 34173, 34175, 34177, 34179, 34181, 34183, 34185, 34187, 34189, 34191, 34193, 34195, 34197, 34199, 34201, 34203, 34205, 34207, 34209, 34211, 34213, 34215, 34219, 34221, 34223, 34225, 34227, 34231, 34233, 34235, 34237, 34239, 34241, 34243, 34245, 34247, 34249, 34251, 34253, 34255, 34257, 34259, 34261, 34263, 34265, 34267, 34269, 34271, 34273, 34275, 34277, 34279, 34281, 34283, 34285, 34287, 34289, 34291, 34293, 34295, 34297, 34299, 34301, 34303, 34305, 34307, 34309, 34311, 34313, 34315, 34317, 34319, 34321, 34323, 34325, 34327, 34329, 34331, 34333, 34335, 34337, 34339, 34341, 34343, 34345, 34347.
16	MIRADOR LAS TABLAS B11	Madrid	Madrid	CL San Juan De Ortega	20	255 Fincas Registrales RP Nº54 MADRID 91934, 91935, 91936, 91937, 91939, 91940, 91941, 91942, 91943, 91944, 91945, 91946, 91947, 91948, 91949, 91950, 91951, 91952, 91953, 91954, 91955, 91956, 91957, 91958, 91959, 91960, 91961, 91963, 91964, 91966, 91967, 91968, 91969, 91970, 91971, 91972, 91973, 91975, 91976, 91977, 91978, 91979, 91980, 91982, 91983, 91984, 91986, 91989, 91990, 91991, 91992, 91993, 91995, 91996, 91997, 91999, 92000, 92001, 92002, 92003, 92004, 92005, 92006, 92009, 92010, 92012, 92013, 92014, 92015, 92016, 92019, 92020, 92021, 92022, 92023, 92024, 92025, 92026, 92027, 92030, 92031, 92032, 92033, 92036, 92038, 92040, 92041, 92042, 92043, 92044, 92045, 92046, 92047, 92048, 92049, 92050, 92051, 92052, 92053, 92054, 92055, 92056, 92057, 92058, 92059, 92060, 92061, 92062, 92063, 92064, 92065, 92066, 92067, 92068, 92069, 92070, 92071, 92072, 92073, 92074, 92075, 92077, 92078, 92079, 92080, 92081, 92082, 92083, 92084, 92085, 92086, 92087, 91782, 91783, 91784, 91786, 91787, 91788, 91789, 91790, 91791, 91792, 91793, 91794, 91795, 91796, 91798, 91799, 91800, 91801, 91802, 91803, 91804, 91808, 91810, 91811, 91813, 91814, 91815, 91816, 91817, 91818, 91819, 91821, 91822, 91823, 91824, 91825, 91826, 91827, 91828, 91829, 91830, 91831, 91832, 91833, 91834, 91835, 91836, 91837, 91838, 91839, 91840, 91843, 91844, 91845, 91846, 91847, 91848, 91849, 91850, 91851, 91852, 91853, 91854, 91855, 91856, 91857, 91858, 91859, 91860, 91861, 91862, 91866, 91867, 91869, 91870, 91871, 91872, 91873, 91874, 91875, 91877, 91878, 91879, 91880, 91881, 91882, 91884, 91885, 91886, 91889, 91890, 91891, 91892, 91893, 91894, 91895, 91896, 91897, 91898, 91899, 91900, 91901, 91902, 91903, 91904, 91905, 91906, 91907, 91911, 91915, 91916, 91917, 91919, 91920, 91921, 91922, 91923, 91924, 91925, 91926, 91927, 91928, 91929.

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17	LAS TABLAS LIGONDE	Madrid	Madrid	CL Ligonde	4	165 Fincas Registrales RP Nº54 MADRID 85401, 85402, 85403, 85404, 85405, 85407, 85408, 85409, 85416, 85419, 85423, 85424, 85431, 85432, 85434, 85438, 85439, 85440, 85445, 85447, 85449, 85453, 85456, 85460, 85461, 85465, 85466, 85468, 85469, 85473, 85474, 85477, 85480, 85481, 85482, 85485, 85488, 85491, 85494, 85495, 85496, 85497, 85499, 85500, 85501, 85502, 85503, 85506, 85507, 85508, 85509, 85510, 85511, 85514, 85518, 85519, 85520, 85522, 85528, 85529, 85538, 85539, 85541, 85542, 85543, 85544, 85545, 85547, 85548, 85549, 85550, 85555, 85559, 85562, 85563, 85564, 85565, 85567, 85568, 85569, 85570, 85571, 85572, 85573, 85574, 85575, 85576, 85577, 85578, 85579, 85580, 85581, 85582, 85583, 85584, 85585, 85586, 85587, 85588, 85589, 85590, 85591, 85592, 85593, 85594, 85595, 85596, 85602, 85603, 85604, 85605, 85610, 85611, 85614, 85615, 85621, 85622, 85623, 85625, 85627, 85630, 85635, 85265, 85267, 85269, 85270, 85274, 85276, 85290, 85291, 85298, 85302, 85303, 85304, 85310, 85311, 85312, 85313, 85322, 85324, 85327, 85329, 85332, 85335, 85347, 85348, 85350, 85354, 85355, 85357, 85361, 85363, 85365, 85366, 85368, 85369, 85372, 85373, 85376, 85378, 35382, 85385, 85387, 85390, 85398.
18	LAS TABLAS TRIACAS TELA	Madrid	Madrid	CL Triacastela	4	119 Fincas Registrales RP Nº54 MADRID 84873, 84883, 84893, 84907, 84908, 84917, 84921, 84926, 84931, 84935, 84949, 84950, 84957, 84959, 84989, 84997, 85013, 85018, 85019, 85023, 85028, 85032, 85037, 85040, 85041, 85045, 85048, 85052, 85053, 85055, 85061, 85062, 85080, 85081, 85089, 85090, 85102, 85103, 85104, 85107, 85114, 85115, 85117, 85118, 85119, 85122, 85123, 85124, 85126, 85127, 85128, 85129, 85130, 85131, 85132, 85133, 85137, 85138, 85139, 85142, 85152, 85155, 85156, 85160, 85161, 85162, 85163, 85164, 85165, 85166, 85170, 85171, 85172, 85173, 85176, 85177, 85178, 85179, 85180, 85181, 85182, 85183, 85184, 85185, 85186, 85187, 85189, 85190, 85191, 85192, 85193, 85194, 85195, 85196, 85197, 85198, 85199, 85201, 85202, 85203, 85204, 85205, 85209, 85210, 85215, 85217, 85219, 85220, 85221, 85223, 85227, 85237, 85238, 85239, 85254, 85255, 85256, 85258, 85263.
19	LAS TABLAS B13	Madrid	Madrid	CL San Juan De Ortega	24-78	64 Fincas Registrales RP Nº54 MADRID 51658, 51659, 51660, 51662, 51664, 51666, 51668, 51670, 51672, 51677, 51679, 51681, 51682, 51684, 51726, 51728, 51730, 51735, 51736, 51749, 51750, 51752, 51753, 51761, 51773, 51824, 51826, 51828, 51830, 51832, 51834, 51836, 51844, 51846, 51847, 51914, 51915, 51917, 51919, 51921, 51923, 51925, 51929, 51931, 51933, 51935, 51939, 51942, 51947, 51949, 51952, 51955, 51956, 51957, 51958, 51961, 51962, 51963, 51970, 51971, 51972, 51973, 51975, 51976.
20	TORREL AGUNA	Madrid	Madrid	CL Torrelaguna	65,67	84 Fincas Registrales RP Nº36 MADRID 34082, 34084, 34086, 34088, 34090, 34092, 34094, 34096, 34098, 34100, 34102, 34104, 34106, 34110, 34112, 34116, 34118, 34120, 34122, 34124, 34126, 34130, 34132, 34134, 34138, 34140, 34142, 34144, 34146, 34148, 34152, 34156, 34158, 34162, 34164, 34166, 34172, 34174, 34176, 34180, 34182, 33970, 33974, 33976, 33978, 33980, 33982, 33984, 33988, 33990, 33996, 33998, 34000, 34002, 34004, 34006, 34008, 34010, 34012, 34016, 34022, 34026, 34028, 34030, 34032, 34036, 34038, 34040, 34042, 34044, 34048, 34050, 34052, 34056, 34058, 34062, 34064, 34066, 34068, 34070, 34072, 34074, 18184, 18186.
21	TOMÁS LÓPEZ	Madrid	Madrid	CL Tomás López	10-12	119 Fincas Registrales RP Nº23 MADRID 16509, 16537, 16543, 16621, 16625, 16627, 16629, 16651, 16653, 16661, 16663, 16665, 16667, 16697, 16701, 16707, 16411, 16413, 16415, 16709, 16717, 16719, 16721, 16725, 16727, 16729, 16731, 16739, 16749, 16759, 16761, 16767, 16781, 16783, 16785, 16787, 16789, 16791, 16799, 16801, 16803, 16807, 16811, 16815, 16819, 16833, 16835, 16839, 16845,

		Madrid	Madrid	CL Tomás López	6,7,9,11	16851, 16853, 16855, 16545, 16569, 16571, 16573, 16577, 16585, 16589, 16591, 16593, 16595, 16597, 16599, 16601, 16603, 16605, 16607, 16609, 16611, 16711, 16713, 16715, 16859, 16865, 16867, 16869, 16871, 16873, 16879, 16887, 16889, 16891, 16893, 16905, 16909, 16911, 16913, 16915, 16917, 16923, 16925, 16929, 16933, 16935, 16937, 16955, 16957, 16963, 16973, 16977, 16985, 16991, 16993, 16995, 16999, 17001, 17003, 17007, 17009, 17011, 17013, 17015, 17017, 17019, 17023, 17025, 17027, 17031.
22	LA MASÓ	Madrid	Madrid	CL La Masó	1	13 Fincas Registrales RP Nº35 MADRID 99495, 99498, 99500, 99501, 99502, 99504, 99507, 99508, 99510, 99511, 99513, 99514, 99525.
23	COSTA BRAVA	Madrid	Madrid	CL Costa Brava	14B	8 Fincas Registrales RP Nº35 MADRID 10492, 10525, 10529, 10530, 10532, 10534, 10536, 10472
24	MORALZ ARZAL	Madrid	Madrid	CL Moralarza I	80	15 Fincas Registrales RP Nº17 MADRID 7460, 7463, 7464, 7465, 7466, 7470, 7471, 7472, 7474, 7475, 7476, 7483, 7491, 7496, 7497.
25	EL MOLINO	Madrid	Madrid	CL Andrés de Urdaneta	10	64 Fincas Registrales RP Nº35 MADRID 55235, 55237, 55239, 55241, 55243, 55245, 55247, 55249, 55251, 55253, 55255, 55257, 55259, 55261, 55263, 55265, 55267, 55269, 55271, 55273, 55275, 55277, 55279, 55281, 55283, 55285, 55287, 55289, 55291, 55293, 55295, 55297, 55301, 55303, 55305, 55307, 55309, 55311, 55313, 55315, 55327, 55329, 55331, 55333, 55335, 55337, 55339, 55341, 55343, 55345, 55347, 55349, 55387, 55389, 55393, 55395, 55397, 55399, 55401, 55403, 55461, 55463, 55465, 55467.
26	PINAR DE BERGA MÍN	Madrid	Madrid	CL Rafael Bergamín	5	64 Fincas Registrales RP Nº33 MADRID 7457, 7487, 7493, 7497, 7499, 7535, 7541, 7547, 6633, 6663, 6677, 6683, 6687, 6705, 6739, 6745
27	ÓNICE	Madrid	Madrid	CL Ónice	5	1 Finca Registral RP Nº3 MADRID 63855
28	MÉNDEZ ÁLVARO	Madrid	Madrid	CL Méndez Álvaro	34	1 Finca Registral RP Nº3 MADRID 56593
29	MANZANA CASTELLANA	Madrid	Madrid	CL Doctor Fleming	37,39,41, 43,45	313 Fincas Registrales RP Nº7 MADRID 11973, 11974, 11985, 11986, 11987, 11988, 11993, 11994, 11995, 11996, 11997, 13648, 13649, 13650, 13651, 13652, 13653, 13654, 13655, 13656, 13657, 13658, 13659, 13660, 13661, 13662, 13663, 13664, 13665, 13666, 13667, 13668, 13669, 13670, 13671, 13672, 13673, 13674, 13675, 13676, 13677, 13678, 13679, 13680, 13681, 13682, 13685, 13686, 13687, 13688, 13689, 13690, 13691, 13692, 13693, 13694, 13695, 13696, 13697, 13698, 13699, 13700, 13701, 13703, 13704, 13705, 13706, 13707, 13708, 13709, 13710, 13711, 13712, 13713, 13714, 13715, 13716, 13717, 13718, 13719, 13720, 13721, 13722, 13723, 13724, 13725, 13726, 13727, 13728, 13729, 13730, 13731, 13732, 13733, 13734, 13735, 13736, 13737, 13738, 13739, 13740, 13827, 13828, 13829, 13830, 13831, 13832, 13833, 13834, 13835, 13836, 13837, 13838, 13839, 13840, 13841, 13842, 13843, 13844, 13845, 13846, 13847, 13848, 13849, 13850, 13851, 13852, 13853, 13854, 13855, 13856, 13857, 13858, 13859, 13860, 13861, 13862, 13863, 13957, 13958, 13959, 13960, 13961, 13962, 13963, 13964, 13965, 13966, 13967, 13968, 13969, 13970, 13971, 13972, 13973, 13974, 13975, 13976, 13977, 13978, 13979, 13980, 13981, 13982, 13983, 13984, 13985, 13986, 13987, 13988, 13989, 13990, 13991, 13992, 13993, 13994, 13995, 13996, 13997, 13998, 13999, 14000, 14001, 14002,
		Madrid	Madrid	CL Félix Boix	4,6,8	

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		Madrid	Madrid	CL Carlos Maurrás	7	14003, 14517, 14518, 14519, 14520, 14521, 14522, 14523, 14524, 14525, 14526, 14527, 14528, 14529, 14530, 14531, 14532, 14533, 14534, 14535, 14536, 14537, 14538, 14539, 14540, 14541, 14542, 14543, 14544, 14545, 14546, 14547, 14548, 14549, 14550, 14551, 14552, 14553, 14554, 14555, 14556, 14557, 14558, 14559, 14561, 14562, 14563, 14564, 14565, 14566, 14567, 14568, 14569, 14570, 14571, 14572, 14573, 14574, 14575, 14576, 14577, 14578, 14579, 14580, 14581, 14582, 14583, 14584, 14585, 14586, 14587, 14588, 14589, 14590, 14591, 14592, 14593, 14594, 14595, 14596, 14597, 14598, 14599, 14600, 14601, 14602, 14603, 14605, 14606, 14607, 14608, 14609, 14610, 14611, 14612, 14613, 14614, 14615, 14616, 14617, 14618, 14619, 14620, 14621, 14622, 14623, 14624, 14625, 14626, 14627, 14628, 14629, 14630, 14631, 14632, 14633, 14634, 14635, 14636, 14637, 14638, 14639, 14640, 14641, 14642, 14643, 14644, 14645, 14646.
30	MARÍA MOLINER	Leganés	Madrid	CL María Moliner	14	111 Fincas Registrales RP Nº1 LEGANES 19582, 19583, 19584, 19585, 19588, 19590, 19598, 19599, 19600, 19606, 19607, 19608, 19622, 19623, 19624, 19625, 19626, 19627, 19628, 19629, 19630, 19631, 19632, 19633, 19634, 19635, 19636, 19637, 19638, 19639, 19640, 19641, 19642, 19643, 19644, 19645, 19646, 19647, 19648, 19649, 19650, 19651, 19652, 19653, 19654, 19655, 19656, 19657, 19658, 19659, 19660, 19661, 19662, 19663, 19664, 19665, 19666, 19667, 19668, 19669, 19670, 19671, 19672, 19673, 19674, 19675, 19676, 19677, 19678, 19679, 19680, 19681, 19682, 19683, 19684, 19685, 19686, 19687, 19688, 19689, 19690, 19691, 19692, 19693, 19694, 19695, 19696, 19697, 19698, 19699, 19700, 19701, 19702, 19703, 19704, 19705, 19706, 19707, 19708, 19709, 19710, 19711, 19712, 19713, 19714, 19715, 19716, 19717, 19718, 19719, 19720.
31	EL PINAR II	Las Rozas	Madrid	CL Valle Del Roncal	16	137 Fincas Registrales RP Nº1 LAS ROZAS 50289, 50290, 50291, 50298, 50299, 50300, 50301, 50302, 50303, 50304, 50305, 50309, 50310, 50311, 50312, 50315, 50316, 50317, 50318, 50319, 50320, 50321, 50322, 50324, 50325, 50326, 50327, 50330, 50331, 50332, 50335, 50337, 50338, 50339, 50340, 50341, 50343, 50344, 50347, 50348, 50349, 50351, 50352, 50353, 50354, 50358, 50360, 50361, 50362, 50364, 50367, 50368, 50369, 50370, 50371, 50373, 50377, 50379, 50380, 50381, 50382, 50383, 50384, 50385, 50386, 50387, 50388, 50389, 50390, 50391, 50394, 50395, 50396, 50397, 50398, 50400, 50401, 50405, 50409, 50410, 50412, 50416, 50418, 50419, 50420, 50421, 50422, 50423, 50425, 50427, 50428, 50429, 50430, 50432, 50433, 50434, 50438, 50439, 50440, 50441, 50442, 50444, 50445, 50446, 50447, 50448, 50449, 50450, 50451, 50452, 50453, 50454, 50455, 50456, 50457, 50458, 50459, 50460, 50462, 50463, 50464, 50466, 50467, 50469, 50471, 50474, 50477, 50478, 50479, 50480, 50481, 50482, 50483, 50484, 50485, 50486, 50487.
32	GOLFO DE SALÓNICA	Madrid	Madrid	CL Golfo de Salónica	63	68 Fincas Registrales RP Nº26 MADRID 28318, 28319, 28320, 28321, 28322, 28323, 28325, 28326, 28327, 28329, 28330, 28332, 28333, 28334, 28335, 28336, 28338, 28339, 28340, 28342, 28343, 28344, 28345, 28346, 28347, 28348, 28349, 28350, 28351, 28352, 28353, 28354, 28355, 28356, 28357, 28358, 28359, 28360, 28361, 28362, 28363, 28364, 28365, 28366, 28367, 28368, 28369, 28370, 28371, 28372, 28373, 28374, 28375, 28376, 28377, 28378, 28379, 28380, 28381, 28382, 28383, 28384, 28385, 28386, 28388, 28390, 28391, 28392.

33	ALCALÁ	Madrid	Madrid	CL Alcalá	690	221 Fincas Registrales RP Nº17 MADRID 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 571, 572, 573, 62120, 62121, 62122, 62123, 62124, 62125, 62126, 62127, 62128, 62129, 62130, 62131, 62132, 62133, 62134, 62135, 62136, 62138, 62139, 62140, 62141, 62142, 62143, 62144, 62145, 62146, 62147, 62148, 62149, 62150, 62151, 62152, 62153, 62154, 62155, 62156, 62157, 62158, 62159, 62160, 62161, 62162, 62163, 62164, 62165, 62166, 62167, 62168, 62169, 62170, 62171, 62172, 62173, 62175, 62176, 62177, 62178, 62179, 62180, 62182, 62183, 62184, 62185, 62186, 62187, 62188, 62189, 62190, 62191, 62192, 62193, 62194, 62195, 62196, 62271, 62272, 62273, 62274, 62275, 62276, 62277, 62278, 62279, 62280, 62281, 62282, 62283, 62284, 62285, 62286, 62287, 62288, 62289, 62290, 62291, 62292, 62293, 62294, 62295, 62296, 62297, 62298, 62299, 62300, 62301, 62302, 62303, 62304, 62305, 62306, 62307, 62308, 62309, 62310, 62311, 62312, 62313, 62314, 62315, 62316, 62317, 62318, 62319, 62320, 62321, 62322, 62323, 62324, 62325, 62326, 62327, 62328, 62329, 62330, 62331, 62332, 62333, 62334, 62335, 62336, 62337, 62338, 62339, 62340, 62341, 62342, 62343, 62344.
34	JOSÉ ANTONIO ZAPATA	Madrid	Madrid	CL Jose Antonio Zapata	2-16	87 Fincas Registrales RP Nº13 MADRID 56153, 56154, 56155, 56156, 56157, 56158, 56152, 56159, 56160, 56161, 56162, 56163, 56164, 56165, 56166, 56167, 56168, 56169, 56170, 56171, 56172, 56175, 56176, 56177, 56178, 56179, 56180, 56181, 56182, 56183, 56184, 56185, 56186, 56187, 56188, 56191, 56192, 56193, 56194, 56195, 56196, 56197, 56198, 56199, 56200, 56201, 56202, 56203, 56204, 56206, 56207, 56208, 56209, 56210, 56211, 56212, 56213, 56214, 56215, 56216, 56217, 56218, 56219, 56220, 56221, 56222, 56226, 56227, 56231, 56232, 56235, 56236, 56240, 56243, 56246, 56257, 56262, 56265, 56268, 56269, 56271, 56272, 56275, 56281, 56286, 56285, 56289.
35	JOAQUÍN RUIZ JIMÉNEZ	Torrelo- don es	Madrid	PS Joaquín Ruiz Jiménez	24	168 Fincas Registrales RP Nº1 TORRELODONES 11926, 11934, 11935, 11938, 11939, 11942, 11943, 11946, 11948, 11949, 11950, 11951, 11952, 11953, 11954, 11955, 11956, 11957, 11958, 11959, 11961, 11962, 11963, 11964, 11965, 11966, 11967, 11968, 11970, 11984, 11986, 11987, 11990, 11991, 11994, 11995, 11998, 11999, 12000, 12001, 12002, 12003, 12004, 12005, 12006, 12007, 12008, 12009, 12010, 12011, 12012, 12013, 12014, 12015, 12016, 12017, 12021, 12022, 12025, 12026, 12029, 12030, 12031, 12032, 12033, 12034, 12035, 12036, 12038, 12039, 12040, 12041, 12042, 12043, 12044, 12045, 12046, 12047, 12048, 12049, 12050, 12064, 12067, 12070, 12071, 12083, 12091, 12094, 12095, 12096, 12099, 12100, 12103, 12106, 12107, 12108, 12109, 12110, 12111, 12112, 12113, 12118, 12119, 12120, 12121, 12123, 12124, 12125, 12128, 12129, 12130, 12131, 12136, 12137, 12140, 12141, 12144, 12145, 12153, 12163, 12164, 12165, 12166, 12167, 12168, 12169, 12170, 12171, 12172, 12173, 12174, 12175, 12177, 12178, 12179, 12180, 12181, 12182, 12183, 12184, 12186, 12200, 12201, 12202, 12203, 12204, 12205, 12206, 12207, 12208, 12209, 12210, 12211, 12212, 12213, 12214, 12215, 12216, 12217, 12218, 12219, 12222, 12223, 12226, 12227, 12230, 12231, 12233.
36	MONTAÑAS ROCOSA S	Aranjuez	Madrid	CL Montañas Rocosas	S/N	58 Fincas Registrales RP Nº1 ARANJUEZ 39258, 39259, 39260, 39261, 39262, 39263, 39264, 39265, 39266, 39267, 39268, 39269, 39270, 39271, 39272, 39273, 39274, 39275, 39276, 39277, 39278, 39279, 39281, 39282, 39283, 39284, 39285, 39286, 39287, 39288, 39289, 39290, 39291, 39292, 39293, 39295, 39296, 39297, 39298, 39300,

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		Aranjuez	Madrid	CL Iguazú	S/N	39301, 39302, 39303, 39304, 39305, 39306, 39307, 39308, 39309, 39310, 39311, 39312, 39314, 39315, 39316, 39317, 39318, 39319.
37	CONGO	Getafe	Madrid	CL Congo	1	101 Fincas Registrales RP Nº2 GETAFE 30521, 30522, 30523, 30524, 30525, 30526, 30527, 30528, 30529, 30530, 30531, 30532, 30533, 30534, 30535, 30536, 30537, 30538, 30539, 30540, 30541, 30542, 30543, 30544, 30545, 30546, 30547, 30548, 30549, 30550, 30551, 30552, 30553, 30554, 30555, 30556, 30557, 30560, 30565, 30568, 30570, 30571, 30572, 30573, 30574, 30575, 30576, 30577, 30578, 30582, 30583, 30584, 30585, 30587, 30589, 30593, 30625, 30626, 30627, 30631, 30632, 30633, 30634, 30639, 30640, 30644, 30670, 30671, 30672, 30679, 30680, 30681, 30682, 30683, 30684, 30685, 30686, 30687, 30688, 30689, 30690, 30691, 30692, 30693, 30694, 30695, 30696, 30697, 30698, 30699, 30700, 30705, 30706, 30707, 30708, 30709, 30710, 30711, 30712, 30713, 30714.
38	PLANETARIO	Madrid	Madrid	AV Planetario	1	78 Fincas Registrales RP Nº3 MADRID 73262, 73264, 73266, 73268, 73270, 73272, 73274, 73282, 73288, 73298, 73308, 73312, 73322, 73324, 73328, 73332, 73334, 73338, 73342, 73348, 73352, 73354, 73358, 73364, 73368, 73374, 73382, 73386, 73388, 73390, 73392, 73394, 73398, 73400, 73402, 73404, 73412, 73414, 73416, 73420, 73422, 73424, 73426, 73428, 73430, 73432, 73438, 73440, 73442, 73444, 73446, 73448, 73450, 73454, 73458, 73464, 73470, 73472, 73480, 73482, 73486, 73488, 73494, 73496, 73502, 73504, 73506, 73510, 73512, 73518, 73524, 73528, 73534, 73544, 73558, 73574, 73578, 73584.
39	ENSANCHE DE VALLECAS	Madrid	Madrid	AV Ensanche de Vallecas	67	203 Fincas Registrales RP Nº20 MADRID 18765, 18767, 18771, 18773, 18775, 18777, 18779, 18781, 18783, 18785, 18787, 18789, 18791, 18793, 18795, 18797, 18799, 18803, 18805, 18807, 18809, 18811, 18813, 18815, 18817, 18819, 18821, 18823, 18825, 18827, 18829, 18831, 18833, 18835, 18837, 18839, 18841, 18843, 18845, 18847, 18863, 18865, 18867, 18869, 18871, 18873, 18875, 18877, 18879, 18881, 18883, 18885, 18887, 18889, 18891, 18893, 18895, 18897, 18903, 18905, 18907, 18909, 18911, 18913, 18915, 18917, 18919, 18921, 18923, 18925, 18927, 18945, 18947, 18949, 18951, 18953, 18955, 18957, 18959, 18961, 18963, 18965, 18967, 18969, 18971, 18973, 18975, 18977, 18979, 18981, 18983, 18985, 18987, 18989, 18991, 18993, 18995, 18997, 18999, 19001, 19003, 19005, 19007, 19011, 19015, 19017, 19019, 19027, 19029, 19031, 19033, 19035, 19043, 19045, 19047, 19049, 19055, 19059, 19061, 19063, 19067, 19069, 19071, 19075, 19077, 19079, 19081, 19085, 19087, 19091, 19093, 19099, 19101, 19103, 19105, 19107, 19113, 19115, 19117, 19119, 19121, 19127, 19129, 19131, 19133, 19135, 19137, 19139, 19141, 19149, 19151, 19153, 19155, 19157, 19159, 19161, 19165, 19167, 19169, 19171, 19173, 19175, 19177, 19181, 19183, 19185, 19187, 19189, 19191, 19193, 19197, 19199, 19201, 19203, 19205, 19207, 19209, 19211, 19213, 19215, 19217, 19219, 19221, 19223, 19225, 19227, 19229, 19231, 19233, 19235, 19237, 19239, 19241, 19243, 19245, 19247, 19249, 19251, 19255, 19257, 19259, 19261, 19263.
40	EURO	Madrid	Madrid	AV Euro	21-23	90 Fincas Registrales RP Nº15 MADRID 71896, 71897, 71942, 71943, 71944, 71947, 71948, 71958, 71959, 71960, 71961, 71962, 71963, 71965, 71997, 71998, 71999, 72000, 72009, 72010, 72011, 72012, 72013, 72014, 72015, 72016, 72017, 72018, 72019, 72020, 72021, 72022, 72023, 72024, 72025, 72026, 72027, 72028, 72029, 72030, 72031, 72032, 72033, 72034, 72035, 72093, 72095, 72096, 72099, 72100, 72102, 72105, 72106, 72108, 72111, 72112, 72113, 72114, 72115, 72119, 72120, 72122, 72123, 72125, 72128, 72129, 72131, 72132, 72133, 72147, 72150, 72151, 72158, 72159, 72160, 72162, 72165, 72166, 72172, 72173, 72174, 72175, 72176, 72177, 72178, 72179, 72182, 72183, 72190, 72191.

41	PUENTE DEY	Madrid	Madrid	CL Puentedey	5	158 Fincas Registrales RP Nº20 MADRID 34964, 34966, 34968, 34970, 34972, 34974, 34976, 34978, 34980, 34982, 34984, 34986, 34988, 34990, 34992, 34994, 34996, 34998, 35000, 35002, 35004, 35006, 35008, 35010, 35012, 35014, 35016, 35018, 35020, 35022, 35024, 35026, 35028, 35030, 35032, 35034, 35036, 35038, 35040, 35046, 35054, 35070, 35078, 35086, 35100, 35102, 35570, 35572, 35574, 35576, 35578, 35580, 35582, 35584, 35586, 35588, 35590, 35592, 35594, 35596, 35598, 35600, 35602, 35604, 35606, 35608, 35610, 35612, 35614, 35616, 35618, 35620, 35622, 35624, 35626, 35628, 35630, 35632, 35634, 35786, 35788, 35790, 35792, 35794, 35796, 35798, 35800, 35802, 35804, 35842, 35844, 35846, 35848, 35852, 35854, 35856, 35932, 35934, 35936, 35938, 35940, 35942, 35944, 35946, 35948, 36030, 36032, 36034, 36036, 36038, 36040, 36042, 36044, 36046, 36048, 36050, 36052, 36054, 36056, 36058, 36060, 36062, 36066, 36068, 36070, 36072, 36116, 36118, 36120, 36122, 36124, 36134, 36214, 36222, 36224, 36226, 36228, 36230, 36232, 36276, 36278, 36280, 36282, 36286, 36288, 36290, 36292, 36294, 36296, 36298, 36300, 36302, 36304, 36306, 36308, 36310, 36316, 36318.
42	JULIÁN CAMARILLO	Madrid	Madrid	CL Julián Camarillo	44	71 Fincas Registrales RP Nº17 MADRID 70775, 70776, 70778, 70779, 70780, 70781, 70782, 70785, 70788, 70789, 70790, 70791, 70871, 70872, 70873, 70874, 70876, 70880, 70882, 70883, 70886, 70887, 70888, 70889, 70890, 70891, 70892, 70896, 70898, 70997, 71000, 71003, 71004, 71005, 71006, 71010, 71011, 71015, 71022, 71025, 71026, 71027, 71028, 71029, 71030, 71031, 71032, 71033, 71034, 71035, 71036, 71037, 71038, 71039, 71040, 71041, 71042, 71043, 71044, 71045, 71046.
43	PASEO DE LA ESTACIÓN	Valdemoro	Madrid	CL Valdesanchuela	2	40 Fincas Registrales RP Nº1 VALDEMORO 50067, 50068, 50069, 50072, 50078, 50079, 50080, 50082, 50087, 50088, 50089, 50090, 50092, 50095, 50097, 50098, 50099, 50101, 50102, 50104, 50105, 50106, 50108, 50109, 50110, 50112, 50113, 50114, 50115, 50116, 50118, 50120, 50121, 50122, 50123, 50126, 50128, 50129, 50132, 50171
44	CALCIO	Madrid	Madrid	CL Calcio	2	117 Fincas Registrales RP Nº45 MADRID 29314, 29315, 29316, 29317, 29318, 29319, 29320, 29321, 29322, 29323, 29324, 29325, 29326, 29327, 29328, 29329, 29330, 29331, 29332, 29333, 29334, 29335, 29336, 29337, 29338, 29339, 29340, 29341, 29342, 29343, 29344, 29345, 29346, 29347, 29348, 29349, 29350, 29351, 29352, 29353, 29354, 29355, 29356, 29357, 29358, 29359, 29360, 29361, 29362, 29363, 29364, 29365, 29366, 29367, 29368, 29369, 29370, 29371, 29372, 29373, 29374, 29375, 29376, 29377, 29378, 29379, 29380, 29381, 29382, 29383, 29384, 29385, 29386, 29387, 29388, 29389, 29390, 29391, 29392, 29393, 29394, 29395, 29396, 29397, 29398, 29399, 29400, 29401, 29402, 29403, 29404, 29405, 29406, 29407, 29408, 29409, 29410, 29411, 29412, 29413, 29414, 29415, 29416, 29417, 29418, 29419, 29420, 29421, 29422, 29423, 29424, 29425, 29426, 29427, 29428, 29429, 29430.
45	FUENTE DEL SAZ	Madrid	Madrid	CL Fuente del Saz	6	16 Fincas Registrales RP Nº14 MADRID 12158, 12160, 12162, 12164, 12166, 12168, 12170, 12172, 12174, 12176, 12178, 12180, 12182, 12184, 12186, 12188.
46	CÓRDOBA	Madrid	Madrid	AV Córdoba	25-27	1 Finca Registral RP Nº41 MADRID 17385

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47	ALCORCÓN II	Alcorcón	Madrid	CL Estocolmo	21-35	180 Fincas Registrales RP Nº2 ALCORCON 42229, 42231, 42233, 42235, 42237, 42239, 42241, 42243, 42245, 42247, 42249, 42251, 42253, 42255, 42257, 42259, 42261, 42263, 42265, 42267, 42269, 42271, 42273, 42275, 42277, 42279, 42281, 42283, 42285, 42287, 42289, 42291, 42293, 42295, 42297, 42299, 42301, 42303, 42305, 42307, 42309, 42311, 42313, 42315, 42317, 42319, 42321, 42323, 42325, 42327, 42329, 42331, 42333, 42335, 42337, 42339, 42341, 42343, 42345, 42347, 42349, 42351, 42353, 42355, 42357, 42359, 42361, 42363, 42365, 42367, 42369, 42371, 42373, 42375, 42377, 42379, 42381, 42383, 42385, 42387, 42389, 42391, 42393, 42395, 42397, 42399, 42401, 42403, 42405, 42407, 42409, 42411, 42413, 42415, 42417, 42419, 42421, 42423, 42425, 42427, 42429, 42431, 42433, 42435, 42437, 42439, 42441, 42443, 42445, 42447, 42449, 42451, 42453, 42455, 42457, 42459, 42461, 42463, 42465, 42467, 42469, 42471, 42473, 42475, 42477, 42479, 42481, 42483, 42485, 42487, 42489, 42491, 42493, 42495, 42497, 42499, 42501, 42503, 42505, 42507, 42509, 42511, 42513, 42515, 42517, 42519, 42521, 42523, 42525, 42527, 42529, 42531, 42533, 42535, 42537, 42539, 42541, 42543, 42545, 42547, 42549, 42551, 42553, 42555, 42557, 42559, 42561, 42563, 42565, 42567, 42569, 42571, 42573, 42575, 42577, 42579, 42581, 42583, 42585, 42587.
48	CASTRO VIEJO	Madrid	Madrid	CL Doctor Castroviejo	65	1 Finca Registral RP Nº32 MADRID 79292
49	GALILEO	Madrid	Madrid	CL Galileo	104	38 Fincas Registrales RP Nº5 MADRID 91095, 91113, 91115, 91117, 91123, 91237, 91239, 91273, 91275, 91301, 91311, 91313, 91319, 91323, 91325, 91339, 91341, 91343, 91349, 91351, 91353, 91359, 91363, 91365, 91383, 91385, 91387, 91389, 91391, 91397, 91409, 91415, 91417, 91419, 91443, 91463, 91465, 91477.
50	FRANCISCO REMIRO	Madrid	Madrid	CL Francisco Remiro	1-7	140 Fincas Registrales RP Nº22 MADRID 94934, 94935, 94936, 94937, 94938, 94939, 94940, 94941, 94942, 94943, 94944, 94945, 94960, 94961, 94962, 94963, 94964, 94965, 94966, 94967, 94968, 94969, 94970, 94971, 94972, 94973, 94974, 94994, 94995, 94996, 94997, 94998, 94999, 95000, 95001, 95002, 95003, 95004, 95005, 95006, 95007, 95008, 95009, 95010, 95011, 95012, 95013, 95034, 95035, 95036, 95037, 95038, 95039, 95040, 95041, 95042, 95043, 95044, 95045, 95046, 95047, 95048, 95049, 95050, 95051, 95052, 95053, 94946, 94947, 94948, 94949, 94950, 94951, 94952, 94953, 94954, 94955, 94956, 94957, 94958, 94959, 94975, 94976, 94977, 94978, 94979, 94980, 94981, 94982, 94983, 94984, 94985, 94986, 94987, 94988, 94989, 94990, 94991, 94992, 94993, 95014, 95015, 95016, 95017, 95018, 95019, 95020, 95021, 95022, 95023, 95024, 95025, 95026, 95027, 95028, 95029, 95030, 95031, 95032, 95033, 95054, 95055, 95056, 95057, 95058, 95059, 95060, 95061, 95062, 95063, 95064, 95065, 95066, 95067, 95068, 95069, 95070, 95071, 95072, 95073.
51	STA. MARÍA MAGDALENA	Madrid	Madrid	CL Santa María Magdalena	20	14 Fincas Registrales RP Nº29 MADRID 6476, 6479, 6480, 6481, 6482, 6483, 6485, 6486, 6490, 6491, 6493, 10799, 10800, 10804.
52	MERCEDES FORMICA	Las Rozas	Madrid	CL Mercedes Formica	1	99 Fincas Registrales RP Nº1 LAS ROZAS 57083, 57095, 57131, 57158, 57351, 57353, 57361, 57376, 57392, 57393, 57401, 59404, 59409, 59410, 59417, 59419, 59420, 59421, 59422, 59423, 59424, 59425, 59426, 59427, 59428, 59429, 59430, 59431, 59432, 59433, 59434, 59437, 59441, 59442, 59443, 59444, 59445, 59446, 59449, 59450, 59452, 59454, 59457, 59458, 59459, 59462, 59464, 59465, 59466, 59469, 59470, 59473, 59474, 59476, 59477, 59480, 59481, 59484, 59485, 59488, 59489, 59492, 59493, 59494, 59495, 59496, 59497, 57076, 59353, 59357, 59358, 59359, 59360, 59361, 59362, 59363, 59364, 59365, 59366, 59367, 59368, 59369, 59370, 59371, 59373,

						59374, 59375, 59376, 59377, 59379, 59380, 59381, 59382, 59383, 59384, 59385, 59386, 59389, 59400.
53	RONDA DE SEGOVIA	Madrid	Madrid	CL Ronda de Segovia	61	34 Fincas Registrales RP Nº4 MADRID 63073, 63075, 63077, 63079, 63087, 63089, 63093, 63095, 63101, 63103, 63119, 63121, 63123, 63133, 63135, 63141, 63155, 63179, 63195, 63199, 63205, 63211, 63213, 63215, 63219, 63221, 63231, 63237, 63241, 63243, 63253, 63255, 63257, 63261.
54	JOSÉ M. PERIDIS	Getafe	Madrid	CL José María Peridis	3	52 Fincas Registrales RP Nº3 GETAFE 32794, 32807, 32808, 32812, 32813, 32821, 32826, 32827, 32829, 32830, 32833, 32834, 32838, 32839, 32840, 32841, 32843, 32844, 32845, 32846, 32847, 32849, 32852, 32855, 32857, 32859, 32861, 32862, 32863, 32865, 32866, 32867, 32868, 32870, 32871, 32878, 32880, 32886, 32888, 32889, 32890, 32891, 32892, 32903, 32909, 32913, 32914, 32923, 32929, 32930, 32934, 32959.
55	MARÍA BARRIENTOS	Málaga	Málaga	CL María Barrientos	6	88 Fincas Registrales RP Nº8 MALAGA 57140, 57142, 57144, 57146, 57148, 57150, 57152, 57154, 57156, 57158, 57160, 57162, 57164, 57166, 57168, 57170, 57172, 57174, 57176, 57178, 57180, 57182, 57184, 57186, 57188, 57190, 57192, 57194, 57212, 57214, 57216, 57218, 57220, 57222, 57224, 57226, 57228, 57230, 57232, 57234, 57236, 57238, 57240, 57242, 57244, 57246, 57248, 57254, 57256, 57260, 57262, 57264, 57268, 57270, 57272, 57274, 57276, 57278, 57280, 57282, 57286, 57288, 57290, 57292, 57294, 57296, 57298, 57300, 57306, 57308, 57310, 57312, 57314, 57316, 57318, 57320, 57324, 57326, 57328, 57332, 57334, 57336, 57338, 57340, 57342, 57344, 57346, 57350.
56	MÁRMOL	Málaga	Málaga	CL Armengual de la Mota	32A Bloq 2	46 Fincas Registrales RP Nº13 MALAGA 13076, 13078, 13082, 13090, 13096, 13102, 13104, 13106, 13110, 13114, 13116, 13118, 13120, 13122, 13124, 13126, 13138, 13140, 13142, 13144, 13152, 13158, 13340, 13358, 13360, 13362, 13364, 13366, 13368, 13370, 13372, 13388, 13390, 13392, 13394, 13398, 13400, 13418, 13420, 13422, 13426, 13428, 13432, 13434, 13616, 13618.
57	POZOS DULCES	Málaga	Málaga	CL Pozos Dulces	8	19 Fincas Registrales RP Nº9 MALAGA 50403, 50405, 50407, 50409, 50411, 50413, 50415, 50417, 50419, 50421, 50423, 50427, 50429, 50431, 50433, 50435, 50443, 50445, 50447.

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S8	CESÁRE O ALIERTA	Zaragoza	Zaragoza	CL Cesáreo Alierta	23-25	308 Fincas Registrales RP Nº6 ZARAGOZA 15743, 15745, 15747, 15749, 15751, 15753, 15755, 15757, 15761, 15763, 15765, 15767, 15771, 15773, 15775, 15777, 15779, 15783, 15785, 15787, 15789, 15791, 15793, 15795, 15797, 15799, 15801, 15803, 15805, 15807, 15809, 15811, 15817, 15819, 15821, 15823, 15825, 15827, 15829, 15831, 15833, 15835, 15837, 15839, 15843, 15845, 15847, 15849, 15851, 15853, 15855, 15857, 15859, 15861, 15863, 15865, 15867, 15869, 15871, 15873, 15875, 15877, 15885, 15887, 15889, 15891, 15895, 15897, 15899, 15901, 15903, 15905, 15907, 15909, 15911, 15913, 15917, 15923, 15927, 15931, 15933, 15937, 15941, 15943, 15945, 15947, 15949, 15951, 15957, 15959, 15961, 15965, 15967, 15969, 15971, 15973, 15975, 15977, 15979, 15981, 15983, 15985, 15989, 15991, 15993, 15995, 15997, 16003, 16005, 16013, 16015, 16017, 16019, 16021, 16023, 16025, 16027, 16029, 16031, 16033, 16035, 16037, 16039, 16041, 16043, 16047, 16049, 16055, 16057, 16061, 16063, 16065, 16067, 16069, 16071, 16073, 16075, 16077, 16081, 16083, 16085, 16087, 16089, 16115, 16117, 16119, 16121, 16123, 16125, 16127, 16129, 16131, 16133, 16135, 16137, 16141, 16143, 16145, 16147, 16149, 16151, 16153, 16155, 16157, 16159, 16161, 16163, 16165, 16167, 16169, 16173, 16175, 16179, 16181, 16183, 16185, 16187, 16189, 16193, 16195, 16197, 16199, 16201, 16203, 16205, 16209, 16211, 16213, 16215, 16217, 16219, 16221, 16223, 16225, 16227, 16229, 16231, 16233, 16235, 16237, 16239, 16241, 16243, 16245, 16251, 16253, 16255, 16257, 16259, 16261, 16263, 16265, 16267, 16269, 16271, 16273, 16275, 16277, 16289, 16291, 16293, 16295, 16299, 16301, 16303, 16305, 16307, 16309, 16311, 16313, 16315, 16323, 16325, 16329, 16331, 16337, 16339, 16341, 16343, 16345, 16347, 16355, 16357, 16359, 16361, 16363, 16365, 16367, 16369, 16375, 16377, 16379, 16381, 16383, 16385, 16387, 16389, 16393, 16395, 16397, 16399, 16403, 16405, 16407, 16409, 16411, 16413, 16415, 16417, 16419, 16423, 16425, 16431, 16433, 16435, 16437, 16439, 16441, 16445, 16449, 16455, 16457, 16459, 16461, 16465, 16469, 16473, 16475, 16479, 16481, 16483, 16485, 16487, 16491, 16495, 16499, 16503, 16505, 16507, 16511, 16513, 16515, 16521, 16523, 16525, 16527, 16531, 16533.
S9	MONTE CERRAU	Oviedo	Asturias	CL Monte Cerrau	25-29	148 Fincas Registrales RP Nº5 OVIEDO 14154, 14157, 14159, 14164, 14166, 14169, 14176, 14177, 14191, 14197, 14198, 14200, 14201, 14209, 14210, 14212, 14217, 14220, 14221, 14223, 14225, 14226, 14259, 14273, 14276, 14277, 14283, 14284, 14285, 14354, 14355, 14356, 14357, 14358, 14360, 14364, 14366, 14367, 14368, 14369, 14370, 14371, 14373, 14374, 14375, 14377, 14378, 14379, 14380, 14381, 14388, 14391, 14393, 14394, 14397, 14401, 14402, 14406, 14407, 14408, 14410, 14411, 14412, 14413, 14414, 14415, 14416, 14417, 14418, 14419, 14421, 14422, 14423, 14428, 14429, 14431, 14432, 14433, 14434, 14435, 14436, 14437, 14439, 14440, 14441, 14442, 14443, 14444, 14445, 14446, 14447, 14448, 14449, 14450, 14451, 14452, 14453, 14454, 14455, 14456, 14458, 14461, 14462, 14466, 14467, 14470, 14471, 14472, 14473, 14474, 14475, 14477, 14479, 14486, 14491, 14494, 14495, 14498, 14499, 14500, 14501, 14503, 14504, 14505, 14506, 14508, 14509, 14511, 14512, 14513, 14514, 14515, 14516, 14517, 14518, 14520, 14521, 14522, 14525, 14526, 14527, 14528, 14529, 14530, 14532, 14533, 14534, 14535.
		Oviedo	Asturias	CL Asturcón	18-20-22	

60	WISEU	Oviedo	Asturias	CL Viseu	30-42	198 Fincas Registrales RP Nº1 OVIEDO 59578, 59580, 59586, 59588, 59594, 59596, 59598, 59600, 59602, 59604, 59606, 59608, 59610, 59612, 59614, 59616, 59618, 59620, 59622, 59624, 59626, 59628, 59630, 59632, 59634, 59636, 59638, 59640, 59642, 59644, 59646, 59648, 59650, 59652, 59654, 59656, 59658, 59660, 59662, 59664, 59666, 59668, 59670, 59672, 59674, 59676, 59678, 59680, 59682, 59684, 59686, 59688, 59690, 59692, 59694, 59696, 59698, 59700, 59702, 59704, 59706, 59708, 59710, 59712, 59714, 59716, 59718, 59720, 59722, 59724, 59726, 59728, 59774, 59776, 59778, 59780, 59782, 59784, 59786, 59788, 59790, 59792, 59794, 59796, 59798, 59800, 59802, 59804, 59806, 59808, 59810, 59812, 59814, 59816, 59818, 59820, 59822, 59824, 59826, 59828, 59830, 59832, 59834, 59836, 59838, 59840, 59842, 59844, 59846, 59848, 59850, 59852, 59854, 59856, 59858, 59860, 59862, 59864, 59866, 59868, 59870, 59872, 59874, 59876, 59878, 59880, 59882, 59884, 59886, 59888, 59890, 59892, 59894, 59896, 59898, 59900, 59902, 59904, 59906, 59908, 59910, 59912, 59914, 59916, 59918, 59920, 59922, 59924, 59926, 59928, 59930, 59932, 59934, 59936, 59938, 59940, 59942, 59944, 59946, 59948, 59950, 59954, 59956, 59958, 59960, 59962, 59964, 59966, 59968, 59970, 59972, 59974, 59976, 59978, 59980, 59982, 59984, 59986, 59992, 59994, 59996, 59998, 60000, 60002, 60004, 60006, 60008, 60010, 60012, 60014, 60016, 60018, 60020, 60022, 60024, 60026, 60028, 60030.
61	SIERO	Oviedo	Asturias	CL Siero	5	16 Fincas Registrales RP Nº4 OVIEDO 22248, 22249, 22250, 22251, 22252, 22253, 22254, 22255, 22256, 22257, 22258, 22259, 22260, 22261, 22262, 22263.
62	NOREÑA	Oviedo	Asturias	CL Noreña	17	46 Fincas Registrales RP Nº4 OVIEDO 22528, 22529, 22530, 22531, 22532, 22533, 22534, 22535, 22536, 22537, 22538, 22539, 22540, 22541, 22542, 22543, 22544, 22545, 22546, 22547, 22548, 22549, 22550, 22551, 22552, 22553, 22554, 22555, 22556, 22557, 22558, 22559, 22560, 22561, 22562, 22563, 22564, 22565, 22566, 22567, 22568, 22569, 22570, 22571, 22572, 22573.
		Oviedo	Asturias	CL Noreña	15	

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63	FLORIDA	Oviedo	Asturias	CL Pravia	11,13	71 Fincas Registrales RP Nº22 OVIEDO 44647, 44649, 44659, 44661, 44725, 44729, 44731, 44741, 44745, 44817, 44819, 44823, 44825, 44827, 44829, 44831, 44833, 44835, 44837, 44839, 44841, 44843, 44845, 44847, 44849, 44853, 44855, 44863, 44865, 44867, 44869, 44871, 44873, 44877, 44881, 44883, 44957, 44959, 44961, 44963, 44965, 44969, 44971, 44973, 44975, 44979, 44981, 44985, 45019, 45021, 45023, 45025, 45027, 45029, 45031, 45033, 45035, 45037, 45039, 45041, 45043, 45045, 45211, 45213, 45215, 45217, 45219, 45221, 45229, 45231, 45235.
		Oviedo	Asturias	CL Valdés	6	
64	SALVADOR DALÍ	Palma de Mallorca	Palma de Mallorca	CL Juan Gris	37--51	230 Fincas Registrales RP Nº11 PALMA DE MALLORCA 53693, 53694, 53695, 53697, 53698, 53699, 53700, 53701, 53702, 53703, 53704, 53705, 53706, 53707, 53708, 53711, 53712, 53713, 53714, 53715, 53716, 53717, 53718, 53719, 53720, 53721, 53722, 53723, 53724, 53725, 53726, 53727, 53728, 53729, 53732, 53734, 53736, 53738, 53739, 53740, 53741, 53742, 53744, 53745, 53746, 53747, 53748, 53749, 53750, , 3751, 53752, 53753, 53754, 53757, 53759, 53760, 53761, 53762, 53763, 53764, 53765, 53766, 53767, 53768, 53769, 53771, 53772, 53775, 53776, 53778, 53779, 53780, 53781, 53782, 53783, 53786, 53787, 53788, 53789, 53790, 53791, 53792, 53793, 53794, 53795, 53796, 53797, 53798, 53799, 53800, 53808, 53810, 53811, 53812, 53813, 53814, 53815, 53816, 53818, 53819, 53820, 53821, 53822, 53823, 53824, 53825, 53826, 53829, 53831, 53832, 53833, 53834, 53835, 53836, 53837, 53838, 53839, 53840, 53841, 53842, 53843, 53844, 53845, 53846, 53847, 53848, 53849, 53851, 61298, 61300, 61301, 61302, 61303, 61304, 61305, 61306, 61307, 61310, 61314, 61315, 61316, 61317, 61318, 61319, 61320, 61321, 61322, 61324, 61325, 61326, 61327, 61328, 61329, 61330, 61331, 61334, 61335, 61336, 61337, 61338, 61339, 61340, 61341, 61342, 61343, 61344, 61345, 61346, 61347, 61348, 61349, 61350, 61351, 61352, 61354, 61355, 61356, 61357, 61358, 61359, 61360, 61361, 61362, 61363, 61364, 61365, 61366, 61367, 61368, 61369, 61371, 61372, 61373, 61374, 61375, 61376, 61377, 61378, 61379, 61380, 61381, 61382, 61383, 61384, 61385, 61386, 61387, 61388, 61389, 61392, 61393, 61394, 61395, 61396, 61398, 61399, 61400, 61401, 61402, 61403, 61404, 61405, 61406, 61407, 61408, 61413, 61414, 61415, 61416, 61417.
		Palma de Mallorca	Palma de Mallorca	CL Juan Gris	65-77	
65	RAMÓN MONCADA	Santa Ponça	Palma de Mallorca	CL Ramón Montcada	35	114 Fincas Registrales RP Nº1 PALMA DE MALLORCA 63570, 63571, 63572, 63573, 63574, 63575, 63576, 63577, 63578, 63579, 63580, 63581, 63582, 63583, 63584, 63585, 63586, 63587, 63588, 63589, 63590, 63591, 63592, 63593, 63594, 63595, 63596, 63597, 63598, 63599, 63600, 63601, 63602, 63603, 63604, 63605, 63606, 63607, 63608, 63609, 63610, 63611, 63612, 63613, 63614, 63615, 63616, 63617, 63618, 63619, 63620, 63621, 63622, 63623, 63624, 63625, 63626, 63627, 63628, 63629, 63630, 63631, 63632, 63633, 63634, 63635, 63636, 63637, 63638, 63639, 63640, 63641, 63642, 63643, 63644, 63645, 63646, 63647, 63648, 63649, 63650, 63651, 63652, 63653, 63654, 63655, 63656, 63657, 63658, 63659, 63660, 63661, 63662, 63663, 63664, 63665, 63666, 63667, 63668, 63669, 63670, 63671, 63672, 63673, 63674, 63675, 63676, 63677, 63678, 63679, 63680, 63681, 63682, 63683.
66	VALLGORNERA	Sant Jordi	Palma de Mallorca Palma de Mallorca	CL Vallgornera CL Castellix	7	38 Fincas Registrales RP Nº1 PALMA DE MALLORCA 91900, 91901, 91902, 91903, 91909, 91910, 91916, 91917, 91918, 91919, 91920, 91921, 91922, 91923, 91924, 91925, 91926, 91927, 91928, 91929, 91930, 91931, 92044, 92045, 92046, 92047, 92048, 92049, 92050, 92051, 92052, 92053, 92054, 92055, 92056, 92057, 92058, 92059.

67	JARDINES DE TARA	Las Palmas de GC	Las Palmas de GC	CL Doctor Alfonso Chiscano Díaz	12	126 Fincas Registrales RP Nº5 LAS PALMAS DE GRAN CANARIA 88129, 88131, 88133, 88135, 88137, 88139, 88141, 88143, 88145, 88147, 88149, 88151, 88153, 88155, 88157, 88163, 88165, 88167, 88169, 88171, 88173, 88175, 88177, 88179, 88181, 88183, 88187, 88189, 88197, 88199, 88201, 88203, 88205, 88209, 88211, 88213, 88215, 88217, 88221, 88229, 88231, 88233, 88235, 88237, 88239, 88241, 88243, 88245, 88247, 88249, 88251, 88253, 88255, 88257, 88265, 88271, 88273, 88275, 88277, 88279, 88281, 88283, 88285, 88287, 88289, 88291, 88293, 88295, 88297, 88299, 88301, 88303, 88305, 88307, 88309, 88311, 88313, 88315, 88317, 88319, 88321, 88327, 88329, 88333, 88335, 88349, 88351, 88353, 88355, 88357, 88359, 88361, 88363, 88365, 88367, 88369, 88371, 88373, 88375, 88377, 88379, 88381, 88385, 88387, 88389, 88391, 88393, 88395, 88397, 88399, 88401, 88403, 88405, 88407, 88409, 88411, 88413, 88415, 88417, 88419, 88421, 88425, 88427, 88429, 88431, 88439.
		Las Palmas de GC	Las Palmas de GC	CL Horno de Cal	6	
68	VILLA DEL PINO	Las Palmas de GC	Las Palmas de GC	CL Doctor Alfonso Chiscano Díaz	20	38 Fincas Registrales RP Nº5 LAS PALMAS DE GRAN CANARIA 54238, 54240, 54242, 54244, 54246, 54248, 54250, 54252, 54254, 54256, 54258, 54260, 54262, 54264, 54266, 54268, 54270, 54272, 54278, 54280, 54282, 54284, 54286, 54288, 54290, 54292, 54294, 54296, 54298, 54300, 54302, 54304, 54306, 54308, 54310, 54312, 54316, 54318.
69	TAMAR ACEITE	Las Palmas de GC	Las Palmas de GC	CL Isabel Macario Brito Soprano	1-9	581 Fincas Registrales RP Nº2 LAS PALMAS DE GRAN CANARIA 36249, 36250, 36251, 36252, 36253, 36254, 36255, 36256, 36257, 36258, 36259, 36260, 36261, 36262, 36263, 36264, 36265, 36266, 36267, 36268, 36269, 36270, 36271, 36272, 36273, 36274, 36275, 36276, 36277, 36278, 36279, 36280, 36281, 36282, 36283, 36284, 36285, 36286, 36287, 36288, 36289, 36290, 36291, 36292, 36293, 36294, 36295, 36296, 36297, 36298, 36299, 36300, 36301, 36302, 36303, 36304, 36305, 36306, 36307, 36308, 36309, 36310, 36311, 36312, 36313, 36314, 36315, 36316, 36317, 36318, 36319, 36320, 36321, 36322, 36323, 36324, 36325, 36326, 36327, 36328, 36329, 36330, 36331, 36332, 36333, 36334, 36335, 36336, 36337, 36338, 36339, 36340, 36341, 36342, 36343, 36344, 36345, 36346, 36347, 36348, 36349, 36350, 36351, 36352, 36353, 36354, 36355, 36356, 36357, 36358, 36359, 36360, 36361, 36362, 36363, 36364, 36365, 36366, 36367, 36368, 36369, 36370, 36371, 36372, 36373, 36374, 36375, 36376, 36377, 36378, 36379, 36380, 36381, 36382, 36383, 36384, 36571, 36572, 36573, 36574, 36575, 36576, 36577, 36578, 36579, 36580, 36581, 36582, 36583, 36584, 36585, 36586, 36587, 36588, 36589, 36590, 36591, 36592, 36593, 36594, 36595, 36596, 36597, 36598, 36599, 36600, 36601, 36602, 36603, 36604, 36605, 36606, 36607, 36608, 36609, 36610, 36611, 36612, 36613, 36614, 36615, 36616, 36617, 36618, 36619, 36620, 36621, 36622, 36623, 36624, 36625, 36626, 36627, 36628, 36629, 36630, 36631, 36632, 36633, 36634, 36635, 36636, 36637, 36638, 36639, 36640, 36641, 36642, 36643, 36644, 36645, 36646, 36647, 36648, 36649, 36650, 36651, 36652, 36653, 36654, 36655, 36656, 36657, 36658, 36659, 36660, 36661, 36662, 36663, 36664, 36665, 36666, 36667, 36668, 36669, 36670, 36671, 36672, 36673, 36674, 36675, 36676, 36677, 36678, 36679, 36680, 36681, 36682, 36683, 36684, 36685, 36686, 36687, 36688, 36689, 36690, 36691, 36692, 36693, 36694, 36695, 36696, 36697, 36698, 36699, 36700, 36701, 36702, 36703, 36704, 36705, 36706, 36707, 36708, 36709, 36710, 36711, 36712, 36713, 36714, 36715, 36716, 36717, 36718, 36719, 36720, 36721, 36722, 36723, 36724, 36725, 36726, 36727, 36728, 36729, 36730, 36731, 36732, 36733, 36734, 36735, 36736, 36737, 36738, 36739, 36740, 36741, 36742, 36743, 36744, 36745, 36746, 36747, 36748, 36749, 36750, 36751, 36752, 36753, 36754, 36755, 36756, 36757, 36758, 36759,
		Las Palmas de GC	Las Palmas de GC	CL Juan Pulido Rodríguez	2,4,5,7	
		Las Palmas de GC	Las Palmas de GC	CL General Gutierrez Mellado	23-36	
		Las Palmas de GC	Las Palmas de GC	CL Lucy Cabrera Suarez	1,3,6,8	
		Las Palmas de GC	Las Palmas de GC	CL Pintor Pepe Damaso	28,30,32	
		Las Palmas de GC	Las Palmas de GC	CL San Gabriel	9,11	
		Las Palmas de GC	Las Palmas de GC	CL Isabel Macario Brito Soprano	1-9	
		Las Palmas de GC	Las Palmas de GC	CL Juan Pulido Rodríguez	2,4,5,7	
		Las Palmas de GC	Las Palmas de GC	CL General Gutierrez Mellado	23-36	

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		Las Palmas de GC	Las Palmas de GC	CL Lucy Cabrera Suarez	1,3,6,8	36760, 36761, 36762, 36763, 36764, 36765, 36766, 36767, 36822, 36823, 36824, 36825, 36826, 36827, 36828, 36829, 36830, 36831, 36832, 36833, 36834, 36835, 36836, 36837, 36838, 36839, 36840, 36841, 36842, 36843, 36844, 36845, 36846, 36847, 36848, 36849, 36850, 36851, 36852, 36853, 36854, 36855, 36856, 36857, 36858, 36859, 36860, 36861, 36862, 36863, 36864, 36865, 36866, 36867, 36868, 36869, 36870, 36871, 36872, 36873, 36874, 36875, 36876, 36877, 36878, 36879, 36880, 36881, 36882, 36883, 36884, 36885, 36886, 36887, 36888, 36889, 36890, 36891, 36892, 36893, 36894, 36895, 36896, 36897, 36898, 36899, 36900, 36901, 36902, 36903, 36904, 36905, 36906, 36907, 36908, 36909, 36910, 36911, 36912, 36913, 36914, 36915, 36916, 36917, 36918, 36919, 36920, 36921, 36922, 36923, 36924, 36925, 36926, 36927, 36928, 36929, 36930, 36931, 36932, 36933, 36934, 36935, 36936, 36937, 36938, 36939, 36940, 36941, 36942, 36943, 36944, 36945, 36946, 36947, 36948, 36949, 36950, 36951, 36952, 36953, 36954, 36955, 36956, 36957, 36958, 36959, 36960, 36961, 36962, 36963, 36964, 36965, 36966, 36967, 36968, 36969, 36970, 36971, 36972, 36973, 36974, 36975, 36976, 36977, 36978, 36979, 36980, 36981, 36982, 36983, 36984, 36985, 36986, 36987, 36988, 36989, 36990, 36991, 36992, 36993, 36994, 36995, 36996, 36997, 36998, 36999, 37000, 37001, 37002, 37003, 37004, 37005, 37006, 37007, 37008, 37009, 37010, 37011, 37012, 37013, 37014, 37015, 37016, 37017, 37018, 37019, 37020, 37021, 37022, 37023, 37024, 37025, 37026, 37027, 37028, 37029, 37030, 37031, 37032, 37033, 37034, 37035, 37036, 37037, 37038, 37039, 37040, 37041, 37042, 37043, 37044, 37045, 37046, 37047, 37048, 37049, 37050, 37051, 37052, 37053, 37054, 37055, 37056, 37057, 37058, 37059, 37060, 37061, 37062, 37063, 37064, 37065, 37066, 37067, 37068, 37069.
		Las Palmas de GC	Las Palmas de GC	CL Pintor Pepe Damaso	28,30,32	
		Las Palmas de GC	Las Palmas de GC	CL San Gabriel	9,11	
70	BENQUE RENCIA	Toledo	Toledo	CL Rio Estenilla	21 Port 1	114 Fincas Registrales RP N°1 PALMA DE MALLORCA 47426, 47427, 47428, 47429, 47430, 47431, 47432, 47433, 47434, 47435, 47436, 47437, 47438, 47439, 47440, 47441, 47442, 47443, 47444, 47445, 47446, 47447, 47448, 47449, 47450, 47451, 47452, 47453, 47454, 47455, 47456, 47457, 47458, 47459, 47460, 47461, 47462, 47463, 47464, 47465, 47466, 47467, 47468, 47469, 47470, 47471, 47472, 47473, 47474, 47475, 47476, 47477, 47478, 47479, 47480, 47481, 47482, 47483, 47484, 47485, 47486, 47487, 47488, 47489, 47490, 47491, 47492, 47493, 47494, 47495, 47496, 47497, 47498, 47499, 47500, 47501, 47502, 47503, 47504, 47505, 47506, 47507, 47508, 47509, 47510, 47511, 47512, 47513, 47514, 47515, 47516, 47517, 47518, 47519, 47520, 47521, 47522, 47523, 47524, 47525, 47526, 47527, 47528, 47529, 47530, 47531.
		Toledo	Toledo	CL Rio Estenilla	21 Port 2	
		Toledo	Toledo	CL Rio Estenilla	21 Port 3	
		Toledo	Toledo	CL Rio Estenilla	21 Port 4	
		Toledo	Toledo	CL Rio Estenilla	21 Port 5	
		Toledo	Toledo	CL Rio Estenilla	21 Port 6	
		Toledo	Toledo	CL Rio Estenilla	21 Port 7	
		Toledo	Toledo	CL Rio Estenilla	21 Port 8	
		Toledo	Toledo	CL Rio Estenilla	21 Port 9	
		Toledo	Toledo	CL Rio Estenilla	21 Port 10	

71	SESEÑA SOROLLA	Seseña	Toledo	CL Sorolla	7	317 Fincas Registrales RP Nº1 ILLESCAS 20915, 20916, 20917, 20918, 20919, 20920, 20921, 20922, 20923, 20924, 20925, 20926, 20927, 20928, 20929, 20930, 20931, 20932, 20933, 20934, 20935, 20936, 20937, 20938, 20939, 20940, 20941, 20942, 20943, 20944, 20945, 20946, 20947, 20948, 20949, 20950, 20951, 20952, 20953, 20954, 20955, 20956, 20957, 20958, 20959, 20960, 20961, 20962, 20963, 20964, 20965, 20966, 20967, 20968, 20969, 20970, 20971, 20972, 20973, 20974, 20975, 20976, 20977, 20978, 20979, 20980, 20981, 20982, 20983, 20984, 20985, 20986, 20987, 20988, 20989, 20990, 20991, 20992, 20993, 20994, 20995, 20996, 20997, 20998, 20999, 21000, 21001, 21002, 21003, 21004, 21005, 21006, 21007, 21008, 21009, 21010, 21011, 21012, 21013, 21014, 21015, 21016, 21017, 21018, 21019, 21020, 21021, 21022, 21023, 21024, 21025, 21026, 21027, 21028, 21029, 21030, 21031, 21032, 21033, 21034, 21035, 21036, 21037, 21038, 21039, 21040, 21041, 21042, 21043, 21044, 21045, 21046, 21047, 21048, 21049, 21050, 21051, 21052, 21053, 21054, 21055, 21056, 21057, 21058, 21059, 21060, 21061, 21062, 21063, 21064, 21065, 21066, 21067, 21068, 21069, 21070, 21071, 21072, 21073, 21074, 21075, 21076, 21077, 21078, 21079, 21080, 21081, 21082, 21083, 21084, 21085, 21086, 21087, 21088, 21089, 21090, 21091, 21092, 21093, 21094, 21095, 21096, 21097, 21098, 21099, 21100, 21101, 21102, 21103, 21104, 21105, 21106, 21107, 21108, 21109, 21110, 21111, 21112, 21113, 21114, 21115, 21116, 21117, 21118, 21119, 21120, 21121, 21122, 21123, 21124, 21125, 21126, 21127, 21128, 21129, 21130, 21131, 21132, 21133, 21134, 21135, 21136, 21137, 21138, 21139, 21140, 21141, 21142, 21143, 21144, 21145, 21146, 21147, 21148, 21149, 21150, 21151, 21152, 21153, 21154, 21155, 21156, 21157, 21158, 21159, 21160, 21161, 21162, 21163, 21164, 21165, 21166, 21167, 21168, 21169, 21170, 21171, 21172, 21173, 21174, 21175, 21176, 21177, 21178, 21179, 21180, 21181, 21182, 21183, 21184, 21185, 21186, 21187, 21188, 21189, 21190, 21191, 21192, 21193, 21194, 21195, 21196, 21197, 21198, 21199, 21200, 21201, 21202, 21203, 21204, 21205, 21206, 21207, 21208, 21209, 21210, 21211, 21212, 21213, 21214, 21215, 21216, 21217, 21218, 21219, 21220, 21221, 21222, 21223, 21224, 21225, 21226, 21227, 21228, 21229, 21230, 21231.
72	SESEÑA REMBRANDT	Seseña	Toledo	CL Rembrandt	4	303 Fincas Registrales RP Nº1 ILLESCAS 19339, 19340, 19341, 19342, 19343, 19344, 19345, 19347, 19350, 19351, 19352, 19353, 19354, 19355, 19356, 19357, 19358, 19359, 19360, 19361, 19362, 19363, 19364, 19365, 19366, 19368, 19369, 19370, 19371, 19372, 19373, 19374, 19377, 19378, 19380, 19381, 19382, 19383, 19384, 19385, 19386, 19387, 19388, 19389, 19390, 19391, 19392, 19393, 19394, 19395, 19396, 19397, 19398, 19401, 19402, 19411, 19433, 19434, 19437, 19439, 19445, 19453, 19456, 19458, 19459, 19471, 19481, 19482, 19490, 19494, 19180, 19181, 19182, 19183, 19184, 19185, 19186, 19188, 19189, 19191, 19192, 19195, 19196, 19197, 19198, 19199, 19200, 19201, 19202, 19203, 19204, 19206, 19209, 19210, 19211, 19212, 19213, 19214, 19215, 19216, 19217, 19218, 19219, 19220, 19221, 19222, 19224, 19225, 19226, 19227, 19228, 19229, 19230, 19231, 19232, 19233, 19234, 19235, 19236, 19237, 19238, 19239, 19240, 19241, 19242, 19243, 19247, 19251, 19255, 19259, 19264, 19274, 19282, 19286, 19297, 19304, 19306, 19308, 19323, 19330, 19335, 19604, 19605, 19606, 19607, 19608, 19609, 19612, 19613, 19615, 19616, 19617, 19618, 19619, 19620, 19621, 19622, 19623, 19624, 19625, 19627, 19628, 19630, 19631, 19632, 19633, 19634, 19635, 19636, 19637, 19638, 19639, 19640, 19641, 19642, 19645, 19646, 19647, 19648, 19649, 19650, 19651, 19652, 19653, 19654, 19655, 19656, 19657, 19658, 19659, 19660, 19661, 19662, 19663, 19664, 19665, 19666, 19667, 19674, 19675, 19683, 19698,
		Seseña	Toledo	CL Rembrandt	6	
		Seseña	Toledo	CL Rembrandt	8	

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		Seseña	Toledo	CL Doménico Veneciano /Leona. Da Vinci	3	19702, 19703, 19710, 19711, 19723, 19728, 19732, 19736, 19747, 19748, 19759, 14764, 14766, 14767, 14770, 14771, 14772, 14773, 14783, 14790, 14791, 14799, 14802, 14803, 14804, 14805, 14807, 14808, 14809, 14810, 14814, 14817, 14821, 14822, 14823, 14824, 14831, 14832, 14833, 14834, 14835, 14836, 14838, 14841, 14842, 14843, 14845, 14846, 14847, 14848, 14849, 14851, 14853, 14854, 14855, 14856, 14857, 14858, 14859, 14860, 14865, 14866, 14869, 14870, 14871, 14872, 14873, 14875, 14876, 14877, 14878, 14879, 14881, 14882, 14886, 14892, 14893, 14894, 14895, 14896, 14897, 14928, 14935, 14937, 14938, 15100, 15202, 15215, 15239, 15248, 15249, 15250, 15251, 15252, 15254, 15327, 15330, 15333, 15356, 15359, 15365.
73	BALLESTER	Valladolid	Valladolid	PL Torrente Ballester	1	80 Fincas Registrales RP Nº1 VALLADOLID 27039, 27041, 27043, 27045, 27047, 27049, 27051, 27053, 27055, 27057, 27059, 27061, 27063, 27065, 27067, 27069, 27071, 27073, 27075, 27077, 27079, 27081, 27083, 27085, 27087, 27089, 27091, 27093, 27095, 27097, 27099, 27101, 27103, 27105, 27107, 27109, 27111, 27113, 27319, 27321, 27323, 27325, 27327, 27329, 27331, 27333, 27335, 27337, 27339, 27341, 27343, 27345, 27347, 27349, 27351, 27353, 27355, 27357, 27359, 27361, 27363, 27365, 27367, 27369, 27371, 27373, 27375, 27377, 27379, 27381, 27383, 27385, 27387, 27389, 27391, 27393, 27395, 27397, 27399, 27401.
74	MIÑO	Laguna De Duero	Valladolid	CL Miño	18-26	1 Finca Registral RP Nº7 VALLADOLID 14014
75	TAJO	Laguna De Duero	Valladolid	CL Tajo	2-12	210 Fincas Registrales RP Nº7 VALLADOLID 18616, 18618, 18620, 18622, 18624, 18626, 18628, 18630, 18632, 18634, 18636, 18638, 18640, 18642, 18644, 18646, 18648, 18650, 18652, 18654, 18656, 18658, 18660, 18662, 18664, 18666, 18668, 18670, 18672, 18674, 18676, 18678, 18680, 18682, 18684, 18686, 18688, 18690, 18692, 18694, 18696, 18698, 18700, 18702, 18704, 18706, 18708, 18710, 18712, 18714, 18716, 18718, 18720, 18722, 18724, 18726, 18728, 18730, 18732, 18734, 18736, 18738, 18740, 18742, 18744, 18746, 18748, 18750, 18752, 18754, 18756, 18758, 18760, 18762, 18764, 18766, 18768, 18770, 18772, 18774, 18776, 18778, 18780, 18782, 18784, 18786, 18788, 18790, 18792, 18794, 18796, 18798, 18800, 18802, 18804, 18806, 18808, 18810, 18812, 18814, 18816, 18818, 18820, 18822, 18824, 18826, 18828, 18830, 18832, 18834, 18836, 18838, 18840, 18842, 18844, 18846, 18848, 18850, 18852, 18854, 18856, 18858, 18860, 18862, 18864, 18866, 18868, 18870, 18872, 18874, 18876, 18878, 18880, 18882, 18884, 18886, 18888, 18890, 18892, 18894, 18896, 18898, 18900, 18902, 18904, 18906, 18908, 18910, 18912, 18914, 18916, 18918, 18920, 18922, 18924, 18926, 18928, 18930, 18932, 18934, 18936, 18938, 18940, 18942, 18944, 18946, 18948, 18950, 18952, 18954, 18956, 18958, 18960, 18962, 18964, 18966, 18968, 18970, 18972, 18974, 18976, 18978, 18980, 18982, 18984, 18986, 18988, 18990, 18992, 18994, 18996, 18998, 19000, 19002, 19004, 19006, 19008, 19010, 19012, 19014, 19016, 19018, 19020, 19022, 19024, 19026, 19028, 19030, 19032, 19034.
76	MIESES	Valladolid	Valladolid	CL Mieses	34	22 Fincas Registrales RP Nº4 VALLADOLID 46927, 46947, 46951, 46953, 46957, 46959, 46961, 46963, 46965, 46967, 47001, 47041, 47043, 47045, 47047, 47063, 47067, 47069, 47071, 47073, 47075, 47103.
77	LA HABANA	Valladolid	Valladolid	CL Ciudad de la Habana	13, 15	70 Fincas Registrales RP Nº1 VALLADOLID 51700, 51702, 51710, 51714, 51722, 51728, 51734, 51742, 51744, 51748, 51758, 51762, 51766, 51768, 51772, 51784, 51786, 51788, 51792, 51794, 51804, 51810, 51812, 51814, 51820, 51832, 51842, 51844, 51846, 51848,

			Valladol id	CL Jose Garrote Tebar	45,47	51854, 51860, 51866, 51868, 51888, 51908, 51912, 51918, 51920, 51924, 51926, 51936, 51938, 51942, 51948, 51950, 51968, 51970, 51972, 51976, 51978, 51980, 51982, 51986, 51992, 51994, 51996, 52000, 52002, 52014, 52020, 52022, 52024, 52028, 52032, 52058, 52062, 52066, 52070, 52072.
78	ARROYO ENCOMI ENDA	Arroyo de la Encomiend a Arroyo de la Encomiend a	Valladol id Valladol id	CL Torres Quevedo CL Severo Ochoa	5 13,17	74 Fincas Registrales RP Nº3 VALLADOLID 8955, 8957, 8959, 8961, 8963, 8965, 8967, 8969, 8971, 8973, 8975, 8977, 8979, 8981, 8983, 8985, 8987, 8989, 8991, 8993, 8995, 8997, 8999, 9001, 9003, 9005, 9007, 9009, 9013, 9015, 9017, 9019, 9021, 9023, 9025, 9027, 9029, 9031, 9033, 9035, 9037, 9039, 9041, 9043, 9045, 9047, 9049, 9051, 9053, 9055, 9105, 9107, 9109, 9111, 9113, 9115, 9117, 9119, 9121, 9123, 9125, 9127, 9129, 9131, 9133, 9135, 9137, 9139, 9141, 9143, 9145, 9147, 9149, 9151.
79	CAN MATES III	San Cugat	Barcelon a	CL Josep Irla	125,135	1 Finca Registral RP Nº2 SANT CUGAT DEL VALLES 58185
80	CAN MATES IV	San Cugat	Barcelon a	CL Antoni Solanel	14,16	1 Finca Registral RP Nº2 SANT CUGAT DEL VALLES 48690
81	ANNA TUGÁS	Badalona Badalona	Barcelon a Barcelon a	CL Anna Tugas CL Anna Tugas	8 22	31 Fincas Registrales RP Nº3 BADALONA 6678, 6680, 6684, 6686, 6688, 6690, 6694, 6696, 6698, 6710, 6732, 6736, 6738, 6742, 6744, 6746, 6750, 6752, 6754, 6756, 6758, 6760, 6762, 6764, 6766, 6768, 6770, 6772, 6774, 6776, 6808.
82	EUROPA	Hospitalet de Llobregat	Barcelon a	PL de Europa	1-3	33 Fincas Registrales RP Nº7 HOSPITALET DEL LLOBREGAT 2743, 2745, 2746, 2747, 2748, 2749, 2750, 2751, 2752, 2753, 2754, 2755, 2756, 2757, 2758, 2761, 2763, 2764, 2765, 2766, 2767, 2768, 2769, 2770, 2771, 2772, 2773, 2774, 2775, 2776, 2779, 2781, 2782.
83	BORREL L	San Cugat	Barcelon a	CL Borrell	42-46-48	65 Fincas Registrales RP Nº1 SANT CUGAT DEL VALLES 52433, 52435, 52437, 52439, 52441, 52443, 52445, 52447, 52463, 52465, 52467, 52469, 52471, 52473, 52475, 52477, 52479, 52481, 52483, 52485, 52487, 52489, 52491, 52493, 52495, 52497, 52499, 52501, 52503, 52505, 52507, 52509, 52511, 52513, 52515, 52517, 52519, 52521, 52523, 52525, 52527, 52529, 52531, 52533, 52539, 52545, 52547, 52549, 52553, 52555, 52561, 52565, 52567, 52569, 52571, 52573, 52575, 52577, 52579, 52581, 52583, 52585, 52764, 52766, 52768.
84	APREST ADORA	Hospitalet de Llobregat	Barcelon a	CL Aprestador a	61-65	12 Fincas Registrales RP Nº7 HOSPITALET DEL LLOBREGAT 18954, 18959, 18960, 18961, 18962, 18969, 18971, 18973, 18974, 18975, 18976, 18977.
85	TRINXA NT	Barcelona	Barcelon a	CL Trinxant	128	12 Fincas Registrales RP Nº5 BARCELONA 123584, 123587, 123588, 123589, 123590, 123591, 123592, 123594, 123596, 123599, 123603, 123607.
86	BAC DE RODA	Barcelona	Barcelon a	CL Bac de Roda	170	12 Fincas Registrales RP Nº30 BARCELONA 19333, 19337, 19343, 19345, 19347, 19349, 19351, 19361, 19363, 19367, 19369, 19379.
87	MÉRIDA	Barcelona	Barcelon a	CL Mérida	9	24 Fincas Registrales RP Nº20 BARCELONA 7207, 7209, 7211, 7213, 7215, 7217, 7219, 7221, 7223, 7225, 7227, 7229, 7231, 7233, 7235, 7237, 7239, 7241, 7243, 7245, 7247, 7249, 7251, 6983.

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88	DIAGONAL	Barcelona	Barcelona	AV Diagonal	84-86	147 Fincas Registrales RP Nº30 BARCELONA 22515, 22517, 22519, 22521, 22523, 22525, 22527, 22529, 22531, 22533, 22535, 22537, 22539, 22541, 22543, 22545, 22547, 22549, 22551, 22553, 22555, 22557, 22559, 22561, 22563, 22565, 22567, 22569, 22571, 22573, 22575, 22577, 22579, 22581, 22583, 22585, 22587, 22589, 22591, 22593, 22595, 22597, 22599, 22601, 22603, 22605, 22607, 22609, 22611, 22613, 22615, 22617, 22619, 22621, 22623, 22625, 22627, 22629, 22631, 22633, 22635, 22637, 22639, 22641, 22643, 22645, 22647, 22649, 22651, 22653, 22655, 22657, 22659, 22661, 22663, 22665, 22667, 22669, 22671, 22673, 22675, 22681, 22683, 22685, 22687, 22689, 22691, 22693, 22695, 22697, 22699, 22701, 22703, 22705, 22707, 22709, 22711, 22713, 22715, 22717, 22719, 22721, 22723, 22725, 22727, 22729, 22731, 22733, 22735, 22737, 22739, 22741, 22743, 22745, 22747, 22749, 22751, 22753, 22755, 22757, 22759, 22761, 22763, 22765, 22767, 22769, 22771, 22773, 22775, 22777, 22779, 22781, 22783, 22785, 22787, 22789, 22791, 22793, 22795, 22797, 22799, 22801, 22803, 22805, 22807, 22809, 22811.
89	SEPÚLVEDA	Barcelona	Barcelona	CL Sepúlveda	38	164 Fincas Registrales RP Nº18 BARCELONA 24966, 24968, 24970, 24972, 24974, 24976, 24978, 24980, 24982, 24984, 24986, 24988, 24990, 24992, 24994, 24996, 24998, 25000, 25002, 25004, 25006, 25008, 25010, 25012, 25014, 25016, 25018, 25020, 25022, 25024, 25026, 25028, 25030, 25032, 25034, 25036, 25038, 25040, 25042, 25044, 25046, 25048, 25050, 25052, 25054, 25056, 25058, 25060, 25062, 25064, 25066, 25068, 25070, 25072, 25074, 25076, 25078, 25080, 25082, 25084, 25086, 25088, 25090, 25092, 25094, 25096, 25098, 25100, 25102, 25104, 25106, 25108, 25110, 25112, 25114, 25116, 25118, 25120, 25122, 25124, 25126, 25130, 25132, 25134, 25136, 25138, 25140, 25142, 25144, 25146, 25148, 25150, 25152, 25154, 25156, 25158, 25160, 25162, 25164, 25166, 25168, 25170, 25172, 25174, 25176, 25178, 25180, 25182, 25184, 25186, 25188, 25190, 25192, 25194, 25196, 25198, 25200, 25202, 25204, 25206, 25208, 25210, 25212, 25214, 25216, 25218, 25220, 25222, 25224, 25226, 25228, 25230, 25232, 25234, 25236, 25238, 25240, 25242, 25244, 25246, 25248, 25250, 25252, 25254, 25256, 25258, 25260, 25262, 25264, 25266, 25268, 25270, 25272, 25274, 25276, 25278, 25280, 25282, 25284, 25286, 25288, 25290, 25292, 25294, 25296.
90	ALBERT PORQUERAS	Lérida	Lérida	CL Albert Porqueras CL Onze de Setembre	1-3-5	72 Fincas Registrales RP Nº3 LERIDA 29609, 30751, 30752, 30753, 30754, 30755, 30756, 30757, 30758, 30759, 30760, 30761, 30762, 30763, 30764, 30765, 30766, 30767, 30768, 30769, 30770, 30771, 30772, 30773, 30774, 30775, 30776, 30777, 30778, 30779, 30780, 30781, 30782, 30783, 30784, 30785, 30786, 30787, 30788, 30789, 30790, 30791, 30792, 30793, 30794, 30795, 30796, 30797, 30798, 30799, 30800, 30801, 30802, 30803, 30804, 30805, 30806, 30807, 30808, 30809, 30810, 30811, 30812, 30813, 30814, 30815, 30816, 30817, 30818, 30819, 30820, 31603.

91	TERRAZAS GRAN VÍA	Alicante	Alicante	CL Doctor Jiménez Díaz	7	264 Fincas Registrales RP Nº3 ALICANTE 75011, 75013, 75015, 75017, 75019, 75021, 75023, 75025, 75027, 75029, 75031, 75033, 75035, 75037, 75039, 75041, 75043, 75045, 75047, 75049, 75051, 75053, 75055, 75057, 75059, 75061, 75063, 75065, 75067, 75069, 75071, 75073, 75075, 75077, 75079, 75081, 75083, 75085, 75087, 75089, 75091, 75093, 75095, 75097, 75099, 75101, 75103, 75105, 75107, 75109, 75111, 75113, 75115, 75117, 75119, 75139, 75141, 75143, 75145, 75147, 75149, 75151, 75153, 75155, 75157, 75159, 75161, 75163, 75181, 75183, 75185, 75187, 75189, 75191, 75193, 75195, 75197, 75199, 75201, 75203, 75205, 75207, 75209, 75211, 75213, 75215, 75217, 75219, 75221, 75223, 75225, 75227, 75229, 75231, 75233, 75235, 75237, 75239, 75241, 75243, 75245, 75247, 75249, 75251, 75253, 75255, 75257, 75259, 75261, 75263, 75265, 75267, 75269, 75271, 75273, 75275, 75277, 75279, 75281, 75283, 75285, 75287, 75289, 75309, 75311, 75313, 75315, 75317, 75319, 75321, 75323, 75325, 75327, 75329, 75331, 75333, 75335, 75337, 75351, 75353, 75355, 75357, 75359, 75361, 75363, 75365, 75367, 75369, 75371, 75373, 75375, 75377, 75379, 75381, 75383, 75385, 75387, 75389, 75391, 75393, 75395, 75397, 75399, 75401, 75403, 75405, 75407, 75409, 75411, 75413, 75415, 75417, 75419, 75421, 75423, 75425, 75427, 75429, 75431, 75433, 75435, 75437, 75439, 75441, 75443, 75445, 75447, 75449, 75451, 75453, 75455, 75457, 75459, 75461, 75463, 75465, 75467, 75469, 75471, 75473, 75475, 75477, 75479, 75481, 75483, 75485, 75487, 75489, 75491, 75493, 75495, 75497, 75499, 75501, 75503, 75505, 75507, 75509, 75511, 75513, 75515, 75517, 75519, 75521, 75523, 75525, 75527, 75529, 75531, 75533, 75535, 75537, 75539, 75541, 75543, 75545, 75547, 75549, 75551, 75553, 75555, 75557, 75559, 75561, 75563, 75565, 75567, 75569, 75571, 75573, 75575, 75577, 75579, 75581, 75583, 75585, 75587, 75589, 75591, 75593, 75595, 75597, 75599, 75601.
92	HOYO 14	San Juan	Alicante	CL Britania	17	60 Fincas Registrales RP Nº4 ALICANTE 32875, 32877, 32879, 32881, 32883, 32885, 32887, 32889, 32891, 32893, 32895, 32897, 32899, 32901, 32903, 32905, 32907, 32909, 32911, 32913, 32915, 32917, 32919, 32921, 32923, 32925, 32927, 32929, 32931, 32933, 32935, 32937, 32939, 32941, 32943, 32945, 32947, 32949, 32951, 32953, 32955, 32957, 32959, 32961, 32963, 32965, 32967, 32969, 32971, 32973, 32975, 32977, 32979, 32981, 32983, 32985, 32987, 32989, 32991, 32993.
93	BENICAL AP	Valencia	Valencia	CL Salvador Cerveró	17	369 Fincas Registrales RP Nº10 VALENCIA 64769, 64770, 64871, 64872, 64878, 64873, 64768, 64874, 64879, 64888, 64889, 64898, 64897, 64892, 64893, 64894, 64895, 64896, 64891, 64880, 64890, 64881, 64882, 64883, 64884, 64885, 64886, 64887, 64918, 64908, 64909, 64910, 64911, 64912, 64913, 64914, 64915, 64900, 64904, 64916, 64899, 64901, 64902, 64903, 64917, 64905, 64906, 64907, 64919, 64937, 64938, 64930, 64931, 64932, 64933, 64936, 64935, 64934, 64928, 64920, 64929, 64921, 64922, 64923, 64924, 64925, 64926, 64927, 64939, 64948, 64944, 64945, 64946, 64949, 64940, 64941, 64942, 64943, 64952, 64950, 64951, 64947, 64953, 64962, 64963, 64964, 64965, 64966, 64954, 64955, 64956, 64957, 64958, 64959, 64960, 64961, 64987, 64976, 64977, 64978, 64979, 64980, 64981, 64982, 64983, 64984, 64985, 64991, 64986, 64968, 64988, 64989, 64990, 64969, 64967, 64992, 64970, 64971, 64972, 64973, 64974, 64975, 64805, 64806, 64807, 64808, 64993, 64994, 64995, 64996, 64997, 64998, 64999, 65000, 65001, 65002, 65003, 65004, 65005, 65006, 65007, 65008, 65009, 65010, 65011, 65012, 65013, 65014, 65015, 65016, 65017, 65018, 65019, 65020, 65021, 65022, 65023, 65024, 65025, 65026, 65027, 65028, 65029, 65037, 65044, 65045, 65127, 65128, 65030, 65031, 65129, 65130, 65034, 65035,
		Valencia	Valencia	CL Encarna Albarracín	5	
		Valencia	Valencia	CL Carlos Climent González	9,11	

		Valencia	Valencia	CL María Fernando D'Ocon	2,4,6	64809, 64810, 64811, 64812, 64813, 64814, 64815, 64816, 64817, 64818, 64819, 64820, 64821, 64822, 64823, 64824, 64825, 64826, 64827, 64828, 64829, 64830, 64831, 64832, 64833, 64834, 64835, 64836, 65046, 65047, 65048, 65049, 65050, 65051, 65052, 65053, 65054, 65055, 65056, 65057, 65058, 65059, 65060, 65061, 65062, 65063, 65064, 65065, 65066, 65067, 65068, 65069, 65070, 65071, 65072, 65073, 65074, 65075, 65076, 65077, 65078, 65079, 65080, 65081, 65082, 65083, 65084, 65085, 65086, 64837, 64838, 64839, 64840, 64841, 64842, 64843, 64844, 64845, 64846, 64847, 65131, 65138, 65139, 65140, 65038, 64848, 64849, 64850, 64851, 65087, 65088, 65039, 65040, 65041, 64767, 64875, 64876, 64877, 64775, 64777, 64776, 64774, 64780, 64771, 64772, 64773, 64778, 64779, 64781, 64782, 64783, 64784, 64785, 64786, 64787, 64788, 64789, 64801, 64793, 64802, 64792, 64791, 64790, 64803, 64800, 64799, 64798, 64797, 64796, 64795, 64794, 65089, 65090, 65091, 65092, 65093, 65094, 65095, 65096, 65097, 65098, 65099, 65100, 65101, 65102, 65103, 65104, 65105, 65106, 65107, 65108, 65109, 65110, 65111, 65112, 65113, 65114, 65115, 65116, 65117, 65118, 65119, 65120, 65121, 65122, 64852, 64853, 64854, 64855, 64856, 64857, 64858, 64859, 64860, 64861, 64862, 64863, 64864, 65132, 64865, 64866, 64867, 64868, 64869, 64870, 65133, 65134, 65042, 65043, 65123, 65124, 65125, 65126, 65135, 65136, 65137.
94	CORTES VALENCIANAS	Valencia	Valencia	CL Cortes Valencianas	35	73 Fincas Registrales RP Nº5 VALENCIA 32553, 32554, 32678, 32679, 32984, 32993, 32994, 32995, 33009, 33027, 33028, 33037, 33040, 33042, 33043, 33056, 33057, 33058, 33059, 33060, 33078, 33079, 33080, 33081, 33096, 33097, 33098, 33099, 33100, 33101, 33102, 33109, 33111, 33113, 33122, 33130, 33131, 33132, 33133, 33134, 33135, 33144, 33145, 33148, 33150, 33156, 33158, 33164, 33165, 33166, 33171, 33172, 33173, 33179, 33180, 33186, 33192, 33194, 33233, 33280, 33305, 33306, 33307, 33308, 33312, 33313, 33314, 33320, 33321, 33353, 33360, 33986, 33996.
95	MAESTRO RODRIGO	Valencia	Valencia	AV Maestro Rodrigo	107	160 Fincas Registrales RP Nº5 VALENCIA 43588, 43589, 43593, 43594, 43595, 43596, 43597, 43598, 43599, 43600, 43601, 43602, 43603, 43604, 43605, 43606, 43607, 43612, 43613, 43614, 43615, 43616, 43617, 43618, 43619, 43621, 43621, 43622, 43623, 43624, 43625, 43626, 43627, 43628, 43629, 43632, 43637, 43638, 43639, 43640, 43641, 43642, 43643, 43644, 43645, 43646, 43647, 43653, 43654, 43655, 43656, 43657, 43658, 43659, 43660, 43661, 43662, 43663, 43664, 43665, 43666, 43667, 43668, 43669, 43670, 43671, 43672, 43688, 43689, 43690, 43894, 43895, 43896, 43897, 43898, 43899, 43915, 43916, 43917, 43918, 43919, 43920, 43921, 43922, 43923, 43942, 43943, 43944, 43945, 43946, 43947, 43970, 43971, 43972, 43973, 43974, 43975, 43976, 43977, 43978, 43979, 43980, 43981, 43982, 44025, 44026, 44384, 44385, 44386, 44387, 44389, 44390, 44392, 44393, 44394, 44395, 44396, 44397, 44399, 44400, 44401, 44402, 44403, 44404, 44405, 44406, 44407, 44408, 44409, 44411, 44412, 44413, 44414, 44415, 44416, 44417, 44418, 44419, 44420, 44421, 44422, 44423, 44424, 44425, 44427, 44428, 44429, 44430, 44431, 44432, 44433, 44434, 44436, 44437, 44438, 44440, 44441, 44442, 44443, 44444.
96	CAMPANAR	Valencia	Valencia	AV Campanar	120	10 Fincas Registrales RP Nº5 VALENCIA 28863, 28864, 28867, 28869, 28872, 28874, 28875, 28876, 28877, 28878.
97	JOSÉ ECHEGARAY	A Coruña	A Coruña	CL José Echeagaray	1,3,5 y 7	60 Fincas Registrales RP Nº6 A CORUÑA 10574, 10576, 10580, 10582, 10586, 10590, 10642, 10652, 10656, 10662, 10676, 10680, 10682, 10684, 10690, 10692, 10694, 10696, 10698, 10700, 10712, 10716, 10718, 10720, 10722, 10726, 10728, 10730, 10732, 10736, 10818, 10822, 10824, 10828, 10852, 10860, 10866, 10874, 10876, 10878, 10880, 10882, 10892, 10948, 10950, 10982, 10988, 10994,

						10996, 10998, 11000, 11002, 11008, 11010, 11012, 11106, 11110, 11114, 11124, 11128.
98	RAMÓN Y CAJAL	A Coruña A Coruña	A Coruña A Coruña	CL Novoa Santos CL Ramón y Cajal	14 7	27 Fincas Registrales RP Nº1 A CORUÑA 94494, 94496, 94498, 94502, 94504, 94506, 94508, 94510, 94512, 94516, 94518, 94520, 94522, 94524, 94526, 94528, 94530, 94532, 94534, 94538, 94540, 94542, 94544, 94546, 94548, 94550, 94552.
99	MONTE VIDEO	A Coruña	A Coruña	CL Brasil	26-28	1 Finca Registral RP Nº1 A CORUÑA 95125
100	OTERO PEDRAIO	A Coruña	A Coruña	CL Otero Pedraio	15	19 Fincas Registrales RP Nº5 A CORUÑA 33723, 33724, 33726, 33727, 33728, 33729, 33731, 33732, 33733, 33734, 33735, 33736, 33738, 33747, 33748, 33751, 33753, 33786, 33802.
101	RUA GARDIA	A Coruña	A Coruña	CL Rua Gardia	7-12, 16-17	76 Fincas Registrales RP NARON 51799, 51800, 51801, 51805, 51810, 52020, 52021, 52022, 52023, 52024, 52025, 52030, 52037, 52039, 52040, 52044, 52045, 52047, 52048, 52050, 52053, 52054, 52055, 52056, 52058, 52059, 52060, 52061, 52062, 52064, 52065, 52066, 52068, 52069, 52072, 52073, 52076, 52077, 52080, 52089, 52091, 52094, 52095, 52098, 52099, 52100, 52103, 52106, 52110, 52112, 52114, 52115, 52131, 52134, 52138, 52140, 52142, 52331, 52332, 52334, 52341, 52342, 52343, 52346, 52348, 52349, 52364, 52365, 52366, 56612, 56613, 56614, 56615, 56623, 56624, 56625.
102	GONZÁLEZ GARCÉS	Culleredo (A Coruña)	A Coruña	CL Miguel González Garcés	57-75	4 Fincas Registrales RP Nº3 A CORUÑA 27622, 27623, 27624, 27655.
103	RÍO MANDEO	Barcala (Cambre)	A Coruña	CL Río Mandeo	1	2 Fincas Registrales RP Nº5 A CORUÑA 27196, 27197
104	SAN ANDRÉS	A Coruña A Coruña	A Coruña A Coruña	CL San Andrés CL Orzán	18 37	16 Fincas Registrales RP Nº1 A CORUÑA 92388, 92390, 92392, 92394, 92396, 92398, 92400, 92402, 92404, 92406, 92408, 92410, 92412, 92414, 92416, 92418.
105	MONTE PEDROSO	Orense	Orense	CL Montepedroso	1	135 Fincas Registrales RP Nº1 A OURENSE 78955, 78956, 78957, 78958, 78959, 78960, 78961, 78962, 78963, 78964, 78965, 78966, 78967, 78968, 78969, 78970, 78971, 78972, 78973, 78974, 78975, 78976, 78977, 78978, 78979, 78980, 78981, 78984, 78985, 78986, 78987, 78988, 78989, 78990, 78992, 78993, 78994, 78995, 78996, 78997, 78998, 78999, 79000, 79003, 79004, 79005, 79006, 79007, 79008, 79009, 79010, 79011, 79012, 79013, 79014, 79015, 79016, 79017, 79018, 79019, 79020, 79024, 79025, 79026, 79027, 79028, 79029, 79030, 79031, 79032, 79033, 79034, 79035, 79036, 79037, 79038, 79039, 79040, 79041, 79042, 79043, 79044, 79045, 79046, 79047, 79048, 79049, 79050, 79051, 79052, 79053, 79054, 79055, 79056, 79058, 79060, 79061, 79062, 79063, 79064, 79065, 79066, 79067, 79068, 79069, 79070, 79071, 79072, 79073, 79074, 79075, 79076, 79077, 79078, 79079, 79080, 79081, 79082, 79083, 79084, 79085, 79086, 79087, 79088, 79089, 79090, 79091, 79092, 79093, 79094, 79095, 79096, 79097, 79098, 79099.
106	CHANO PIÑEIRO	Orense	Orense	CL Chano Piñeiro	1	
107	HISPANIDAD	Vigo Vigo	Pontevedra Pontevedra	CL Hispanidad CL Pintor Comeiro	96 20	50 Fincas Registrales RP Nº5 VIGO 79029, 79030, 79031, 79032, 79033, 79034, 79037, 79038, 79039, 79040, 79041, 79042, 79043, 79044, 79045, 79048, 79049, 79050, 79051, 79052, 79053, 79054, 79055, 79056, 79059, 79060, 79061, 79062, 79063, 79064, 79065, 79066, 79067, 79070, 79071, 79072, 79073, 79074, 79075, 79076, 79077, 79078, 79081, 79082, 79084, 79085, 79086, 79088, 79089, 79090.

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108	MARCEL O CELAYET A	Pamplona	Navarra	AV Marcelo Celayeta	119-131	70 Fincas Registrales RP Nº1 PAMPLONA 25843, 25853, 25845, 25855, 25847, 25857, 25849, 25859, 25851, 25861, 25863, 25873, 25865, 25875, 25867, 25877, 25869, 25879, 25871, 25881, 25883, 25893, 25885, 25895, 25887, 25897, 25889, 25899, 25891, 25901, 25903, 25913, 25905, 25915, 25907, 25917, 25909, 25919, 25911, 25921, 25923, 25933, 25925, 25935, 25927, 25937, 25929, 25939, 25931, 25941, 25943, 25953, 25945, 25955, 25947, 25957, 25949, 25959, 25951, 25961, 25963, 25973, 25965, 25975, 25967, 25977, 25969, 25979, 25971, 25981.
109	E. NORTE	Pamplona	Navarra	CL Remiro De Goñi / Av Pamplona	42	124 Fincas Registrales RP Nº1 PAMPLONA 9399, 9401, 9403, 9405, 9407, 9409, 9411, 9413, 9415, 9417, 9419, 9421, 9423, 9425, 9427, 9429, 9431, 9433, 9435, 9437, 9439, 9441, 9443, 9445, 9447, 9449, 9451, 9453, 9455, 9457, 9459, 9461, 9463, 9465, 9467, 9469, 9471, 9473, 9475, 9477, 9479, 9481, 9483, 9485, 9487, 9489, 9491, 9493, 9495, 9497, 9499, 9501, 9503, 9505, 9507, 9509, 9513, 9515, 9517, 9519, 9521, 9523, 9525, 9527, 9529, 9531, 9533, 9535, 9537, 9539, 9541, 9543, 9545, 9547, 9549, 9551, 9553, 9555, 9557, 9559, 9561, 9563, 9565, 9567, 9569, 9571, 9573, 9575, 9577, 9579, 9581, 9583, 9585, 9587, 9589, 9591, 9593, 9595, 9597, 9599, 9601, 9603, 9605, 9607, 9609, 9611, 9613, 9615, 9617, 9619, 9621, 9623, 9625, 9627, 9629, 9631, 9633, 9635, 9637, 9639, 9641, 9643, 9645, 9647,
110	SANDUC ELAY	Pamplona	Navarra	CL Sanducelay / Sta. Vicenta	2,4,6,8,3 8	89 Fincas Registrales RP Nº1 PAMPLONA 24877, 24879, 24881, 24883, 24885, 24887, 24889, 24891, 24893, 24895, 24897, 24899, 24901, 24903, 24905, 24907, 24909, 24911, 24913, 24915, 24917, 24919, 24921, 24923, 24925, 24927, 24929, 24931, 24933, 24935, 24937, 24939, 24941, 24943, 24945, 24947, 24949, 24951, 24953, 24955, 24957, 24959, 24961, 24963, 24965, 24967, 24969, 24971, 24973, 24975, 24977, 24979, 24981, 24983, 24985, 24987, 24989, 24991, 24993, 24995, 24997, 24999, 25001, 25003, 25005, 25007, 25009, 25011, 25013, 25015, 25017, 25019, 25021, 25023, 25025, 25027, 25029, 25031, 25033, 25035, 25037, 25039, 25041, 25043, 25045, 25047, 25049, 25051, 25053,
111	LA ROCHAP EA	Pamplona	Navarra	TR Ártica / Garde	4,6	36 Fincas Registrales RP Nº1 PAMPLONA 28464, 28456, 28466, 28458, 28468, 28460, 28470, 28462, 28488, 28480, 28472, 28490, 28482, 28474, 28492, 28484, 28476, 28494, 28486, 28478, 28504, 28496, 28506, 28510, 28498, 28508, 28500, 28502, 28520, 28512, 28522, 28514, 28524, 28516, 28526, 28518,
112	SANDÚA	Pamplona	Navarra	PS Sandúa	56-60	34 Fincas Registrales RP Nº1 PAMPLONA 30367, 30365, 30355, 30353, 30351, 30349, 30347, 30379, 30391, 30375, 30405, 30407, 30409, 30411, 30401, 30403, 30357, 30393, 30363, 30361, 30359, 30413, 30399, 30397, 30395, 30369, 30381, 30371, 30383, 30373, 30385, 30387, 30389, 30377,
113	SANTA LUCÍA	Pamplona	Navarra	PS de Santa Lucía	100-102	97 Fincas Registrales RP Nº1 PAMPLONA 38188, 38186, 38192, 38190, 38210, 38212, 38214, 38216, 38234, 38236, 38238, 38240, 38258, 38260, 38262, 38264, 38196, 38194, 38200, 38198, 38218, 38220, 38222, 38224, 38242, 38244, 38246, 38248, 38266, 38268, 38270, 38272, 38204, 38202, 38208, 38206, 38226, 38228, 38230, 38232, 38250, 38252, 38254, 38256, 38274, 38276, 38278, 38280, 38058, 38060, 38062, 38064, 38066, 38068, 38070, 38072, 38074, 38076, 38078, 38080, 38082, 38084, 38086, 38088, 38090, 38092, 38094, 38096, 38124, 38126, 38128, 38130, 38132, 38134, 38136, 38138, 38140, 38142, 38144, 38146, 38148, 38150, 38152, 38154, 38156, 38158, 38160, 38162, 38164, 38166, 38168, 38170, 38172, 38174, 38176, 38180, 38182.

114	BENTA BERRI CONCESIÓN	San Sebastián	Guipúzcoa	CL Resurrección Mª de Azcue	1-3-5-7	554 Fincas Registrales RP Nº2 SAN SEBASTIAN 14941, 14943, 14945, 14947, 14949, 14951, 14953, 14955, 14957, 14959, 14961, 14963, 14965, 14967, 14969, 15007, 15009, 15011, 15013, 15015, 15017, 15019, 15021, 15023, 15025, 15027, 15029, 15031, 15033, 15035, 15037, 15039, 15041, 15043, 15045, 15047, 15049, 15051, 15053, 15055, 15057, 15059, 15061, 15063, 15065, 15067, 15069, 15071, 15073, 15075, 15077, 15079, 15081, 15083, 15085, 15087, 15089, 15091, 15093, 15095, 15097, 15099, 15101, 15103, 15105, 15107, 15109, 15111, 15113, 15115, 15117, 15119, 15121, 15123, 15125, 15127, 15129, 15131, 15133, 15135, 15137, 15139, 15141, 15143, 15145, 15147, 15149, 15151, 15153, 15155, 15157, 15159, 15161, 15163, 15165, 15167, 15169, 15171, 15173, 15175, 15177, 15179, 15181, 15183, 15185, 15187, 15189, 15191, 15193, 15195, 15197, 15199, 15201, 15203, 15205, 15207, 15209, 15211, 15213, 15215, 15217, 15219, 15221, 15223, 15225, 15227, 15229, 15231, 15233, 15235, 15237, 15239, 15241, 15243, 15245, 15247, 15249, 15251, 15253, 15255, 15257, 15259, 15261, 15263, 15265, 15267, 15269, 15271, 15273, 15275, 15277, 15279, 15281, 15283, 15285, 15287, 15289, 15291, 15293, 15295, 15297, 15299, 15301, 15303, 15305, 15307, 15309, 15311, 15313, 15315, 15317, 15319, 15321, 15323, 15325, 15327, 15329, 15331, 15333, 15335, 15337, 15339, 15341, 15343, 15345, 15347, 15349, 15351, 15353, 15355, 15357, 15359, 15361, 15363, 15365, 15403, 15405, 15407, 15409, 15443, 15533, 15535, 15543, 15545, 15547, 15549, 15551, 15553, 15555, 15557, 15561, 15609, 15611, 15613, 15615, 15617, 15619, 15621, 15623, 15625, 15627, 15629, 15631, 15633, 15635, 15637, 15639, 15641, 15643, 15645, 15647, 15649, 15651, 15653, 15655, 15657, 15659, 15661, 15663, 15665, 15667, 15729, 15731, 15733, 15735, 15737, 15739, 15741, 15743, 15745, 15747, 15749, 15751, 15753, 15755, 15757, 15759, 15761, 15763, 15765, 15767, 15769, 15771, 15773, 15775, 15777, 15779, 15781, 15783, 15785, 15787, 15789, 15791, 15793, 15795, 15797, 15799, 15801, 15803, 15805, 15807, 15809, 15811, 15813, 15815, 15817, 15819, 15821, 15823, 15825, 15827, 15829, 15831, 15833, 15835, 15837, 15839, 15841, 15843, 15845, 15847, 15849, 15851, 15853, 15855, 15857, 15859, 15861, 15863, 15865, 15867, 15869, 15871, 15873, 15875, 15877, 15879, 15881, 15883, 15885, 15887, 15889, 15891, 15893, 15895, 15897, 15899, 15901, 15903, 15905, 15907, 15909, 15911, 15913, 15915, 15917, 15919, 15921, 15923, 15925, 15927, 15929, 15931, 15933, 15935, 15937, 15939, 15941, 15943, 15945, 15947, 15949, 15951, 15953, 15955, 15957, 15959, 15961, 15963, 15965, 15967, 15969, 15971, 15973, 15975, 15977, 15979, 15981, 15983, 16081, 16085, 16087, 16089, 16099, 16151, 16153, 16155, 16157, 16159, 16161, 16163, 16165, 16167, 16169, 16171, 16173, 16175, 16177, 16179, 16181, 16183, 16185, 16187, 16189, 16191, 16193, 16195, 16197, 16199, 16201, 16203, 16205, 16207, 16209, 16211, 16213, 16215, 16217, 16219, 16221, 16223, 16225, 16227, 16229, 16231, 16233, 16235, 16237, 16239, 16241, 16243, 16245, 16247, 16249, 16251, 16253, 16255, 16257, 16259, 16261, 16263, 16265, 16267, 16269, 16271, 16273, 16275, 16277, 16279, 16281, 16283, 16285, 16287, 16289, 16291, 16293, 16295, 16297, 16299, 16301, 16303, 16305, 16307, 16309, 16311, 16313, 16315, 16317, 16319, 16321, 16323, 16325, 16327, 16329, 16331, 16333, 16335, 16337, 16339, 16341, 16343, 16345, 16347, 16349, 16351, 16353, 16355, 16357, 16359, 16361, 16363, 16365, 16367, 16369, 16371, 16373, 16375, 16377, 16379, 16381, 16383, 16385, 16387, 16389, 16391, 16393, 16395, 16397, 16399, 16401, 16403, 16405, 16407, 16409, 16411, 16413, 16415, 16417, 16419, 16421, 16423, 16425, 16427, 16429, 16431, 16433, 16435, 16437, 16439, 16441, 16443, 16445, 16447, 16449, 16451,
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TESTA RESIDENCIAL, SOCIMI, S.A.

Informe de Gestión del ejercicio terminado el
31 de diciembre de 2017

1. ESTRUCTURA ORGANIZATIVA Y FUNCIONAMIENTO

Estrategia

Testa Residencial SOCIMI, S.A. es una sociedad cuyo principal objetivo es generar retorno sostenible al accionista a través de la adquisición, gestión enfocada y rotación selectiva de activos inmobiliarios patrimoniales residenciales en los segmentos de perfil de riesgo moderado.

Composición

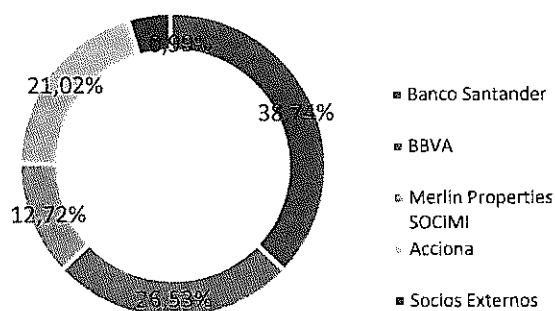
La descripción de la estructura organizativa interna se puede resumir en:

- Consejo de administración: formado por 10 consejeros.
- Comisión de Auditoría (CA)

A continuación, se desglosan los miembros del Consejo de Administración, así como, su categoría:

- D. Ignacio Moreno Martínez (Presidente no ejecutivo). Independiente.
- D. Miguel Oñate Rino (Consejero Ejecutivo).
- D. Fernando Rodríguez-Avial Llardent.. Dominical.
- Dña. Isabel Antunez Cid. Dominical.
- D. Carlos Manzano Cuesta. Dominical.
- D. Jaime Rodríguez Andrade. Dominical.
- D. Cesáreo Rey-Baltar Oramas.. Dominical.
- D. José María Xercavins Lluch. Independiente
- D. Antonio Hernández Mancha. Independiente.
- D. Javier Alarcó Canosa. Independiente.
- D. Lucas Osorio Iturmendi (Secretario no Consejero)

Estructura de capital al 31 de diciembre de 2017



2. ASPECTOS CLAVE

APORTACION/ADQUISICIÓN DE ACTIVOS

Durante el ejercicio 2017 y 2016 como principales operaciones de aportación y compras de activos cabe mencionar las siguientes:

- En septiembre de 2016 se formalizó mercantilmente la combinación de los negocios patrimoniales de naturaleza residencial de Metrovacesa (valorado en 692 millones de euros) y Testa Residencial (valorado en 186 millones de euros).
- En marzo de 2017, se incorporaron activos inmobiliarios por importe de 659.723 miles de euros, como resultado de una ampliación de capital no dineraria con las entidades financiera accionistas.
- En septiembre de 2017, se incorporaron activos inmobiliarios correspondientes principalmente a viviendas situadas en Madrid, por importe de 413.601 miles de euros, como resultado de la combinación de negocios con Acciona Real Estate S.L.
- En septiembre y diciembre de 2017, la Sociedad adquirió viviendas situadas en Madrid a terceros por importe de 45.217 y 4.140 miles de euros respectivamente.

El valor razonable de los activos inmobiliarios de cartera de la Sociedad Testa asciende a 2.275.521 miles de euros y se corresponde con las valoraciones obtenidas por parte de Savills a fecha de 31 de diciembre de 2017.

Los efectos económicos y operativos de las aportaciones realizadas en el ejercicio 2017 conforme a los acuerdos adoptados entre las partes han tenido económicamente efectos a partir de los meses de abril y octubre 2017.

Tras las operaciones de aportación de activos mencionados con anterioridad la composición del capital social a 31 de diciembre de 2017 de la Sociedad, es como sigue:

Nombre / Razón social	Acciones	% Particip.
GRUPO SANTANDER	4.876.467.976	38,74%
GRUPO BBVA	3.339.092.802	26,53%
MERLIN PROPERTIES, SOCIMI, S.A.	1.601.315.578	12,72%
ACCIONA REAL STATE S.A.U.	2.645.404.051	21,02%
MINORITARIOS	124.046.508	0,99%
TOTAL ACCIONES TESTA RESIDENCIAL	12.586.326.915	100,00%

REFINANCIACIÓN

- En diciembre de 2017 la Sociedad suscribió un préstamo sindicado sin garantía hipotecaria por importe de 800 millones de euros de los que a fecha de 31 de diciembre de 2017 solamente se ha dispuesto por importe de 350 millones de euros. Esta financiación se ha destinado a la cancelación del anterior préstamo sindicado de la Sociedad (Testa Residencial SOCIMI, S.A.) por importe de 250 millones de euros, cuyo vencimiento estaba estipulado en mayo de 2018, y a la cancelación del préstamo sindicado hipotecario y las coberturas asociadas contraídas por la sociedad dependiente Compañía Urbanizadora del Coto S.L. por importe de 77 y 2 millones de euros, respectivamente.

COMPARACIÓN DE LA INFORMACIÓN

En septiembre del ejercicio 2016 tuvo lugar la fusión inversa entre Testa Residencial SOCIMI, S.A. y el negocio residencial de Metrovacesa S.A., siendo este último el negocio adquirente. Por este hecho, la cuenta de resultados

del ejercicio 2016 comprende únicamente el periodo desde la fecha de combinación de ambos negocios, tres meses y quince días, debido a que el negocio residencial de Metrovacesa, carecía de estados financieros separados, puesto que se integraban en los estados financieros de Metrovacesa, S.A.

HECHOS POSTERIORES

Cancelación del contrato de servicios suscrito con Merlin Properties SOCIMI, S.A.

Conforme a la decisión adoptada por el Consejo de Administración de la Sociedad el 22 de diciembre de 2016, y una vez transcurridos los plazos y cumplidas las condiciones que para ello establece el contrato de servicios suscrito con Merlin Properties SOCIMI, S.A., la Sociedad de conformidad con lo previsto en la cláusula 9.3. ha notificado a Merlin Properties, SOCIMI, S.A. el desistimiento del mencionado contrato con efectos 19 de enero de 2018.

El impacto de dicho desistimiento implicará que la Sociedad registrará un gasto por importe de 108.563 miles de euros (que incluye la parte correspondiente al IVA no recuperable) en sus estados financieros del ejercicio 2018 en concepto de compensación por cancelación de contrato así como inicialmente un pasivo por el mismo importe ante Merlin Properties SOCIMI, S.A. No obstante, dicho pasivo puede ser liquidado en caja o mediante la entrega de acciones de Testa Residencial SOCIMI, S.A., a voluntad de la Sociedad.

En este sentido, con fecha 26 de marzo de 2018, la Junta General de Accionistas de Testa Residencial SOCIMI, S.A. ha aprobado una ampliación de capital social por compensación de créditos por importe de 89.721 miles de euros, mediante la emisión de 640.693.342 nuevas acciones de 0,01 euros de valor nominal cada una de ellas (6.407 miles de euros), con una prima de emisión de 0,130037800013383 euros por acción emitida (83.314 miles de euros). Dicha ampliación de capital ha sido suscrita en su totalidad por Merlin Properties SOCIMI, S.A. El importe restante, correspondiente al Impuesto sobre el Valor Añadido, que ascendía a 18.842 miles de euros ha sido liquidado en efectivo.

Plan de incentivos a largo plazo a directivos y exit bonus

Con fecha 26 de marzo de 2018 el Consejo de Administración de la Sociedad ha aprobado convocar la Junta General Ordinaria de accionistas, que incluye en su orden del día la propuesta de admisión a negociación de las acciones de la Sociedad en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia. En ese contexto, el Consejo de Administración ha aprobado un plan de incentivos a largo plazo para ciertos directivos. Dicho plan tendrá una duración de cinco años y estará ligado al cumplimiento de ciertos indicadores financieros ligados al valor de las acciones de la Compañía una vez admitidas a negociación para su devengo. El importe máximo que recibirían todos los beneficiarios del plan ascenderá a un importe máximo aproximado de 1,8 Millones de euros al año. El plan será pagadero en efectivo y en acciones a partes iguales.

Asimismo, el Consejo de Administración ha aprobado un plan de incentivo pagadero en acciones de la Sociedad por los accionistas mayoritarios de la Sociedad a directivos clave y otros empleados para el caso de salida a Bolsa. El número de acciones a entregar los directivos clave estará ligado a un criterio de permanencia y al precio de las acciones en su fecha de admisión. La cantidad de acciones para el resto de empleados es fija y está solo ligada al criterio de permanencia.

La Sociedad contabilizará ambos planes de acuerdo a los requisitos exigidos en la NIIF 2 para acuerdos con pagos basados en acciones.

Adquisición de una cartera de viviendas

Con fecha 23 de marzo de 2018, la Sociedad ha suscrito con un tercero un contrato de compraventa para la adquisición de 1.458 viviendas, por un importe de aproximadamente 228 millones de euros. De acuerdo con las condiciones del contrato, la efectividad del mismo está sujeto al cumplimiento de determinadas condiciones suspensivas, habituales en este tipo de transacciones, que se estima se cumplirán en los próximos meses. La financiación de esta adquisición se llevará a cabo a través de la disposición parcial de la deuda sindicada suscrita en diciembre de 2017.

3. POLITICA DE DIVIDENDOS

La Sociedad mantiene una política de dividendos que tiene en cuenta unos niveles sostenibles de distribución, y refleja la previsión de la Sociedad de obtención de beneficios recurrentes. La Sociedad no pretende crear reservas

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que no puedan ser distribuidas a los Accionistas, salvo las legalmente requeridas.

De conformidad con el Régimen de SOCIMI, la Sociedad estará obligada a adoptar acuerdos de distribución del beneficio obtenido en el ejercicio, después de cumplir cualquier requisito relevante de la Ley de Sociedades de Capital, en forma de dividendos, a los accionistas, debiéndose acordar su distribución dentro de los seis meses posteriores a la conclusión de cada ejercicio, en la forma siguiente: (i) al menos el 50% de los beneficios derivados de la transmisión de inmuebles y acciones o participaciones en filiales cualificadas; siempre que los beneficios restantes deben ser reinvertidos en otros activos inmobiliarios dentro de un período máximo de tres años desde la fecha de la transmisión o, si no, el 100% de los beneficios deben ser distribuidos como dividendos una vez transcurrido dicho período; (ii) el 100% de los beneficios obtenidos por recepción de los dividendos pagados por filiales cualificadas; (iii) al menos el 80% del resto de los beneficios obtenidos. Si el acuerdo de distribución de dividendos no se adopta en el plazo legalmente establecido, la Sociedad perderá su condición de SOCIMI respecto del ejercicio al que se refieren los dividendos.

La política de dividendos de la Sociedad está fijada en una distribución de un mínimo del 80% del flujo de caja de operaciones menos el pago de intereses y menos el pago de los gastos ordinarios de mantenimiento de los activos.

4. RIESGOS E INCERTIDUMBRES

Las políticas de gestión de riesgo financiero dentro del sector patrimonialista en alquiler 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 mercado

Atendiendo a la situación actual del sector inmobiliario, y con el fin de minimizar el impacto que ésta puede provocar, la Sociedad tiene establecidas medidas concretas que tiene previsto adoptar para minimizar dicho impacto en su situación financiera.

La aplicación de estas medidas está subordinada a los resultados de los análisis de sensibilidad que la Sociedad realiza de forma recurrente. Estos análisis tienen en cuenta:

- Entorno económico en el que desarrolla su actividad: Diseño de diferentes escenarios económico modificando las variables clave que pueden afectar a la Sociedad (tipos de interés, precio de las acciones, % de ocupación de las inversiones inmobiliarias, etc.). Identificación de aquellas variables interdependientes y su nivel de vinculación.
- Marco temporal en el que se está haciendo la evaluación: Se tendrá en cuenta el horizonte temporal del análisis y sus posibles desviaciones.

Riesgo de crédito

Se define como el riesgo de pérdida financiera al que se enfrenta la Sociedad si un cliente o contraparte no cumple con sus obligaciones contractuales.

Con carácter general la Sociedad mantiene su tesorería y activos líquidos equivalentes en entidades financieras de alto nivel crediticio.

La Sociedad tiene políticas para limitar el volumen de riesgo con los clientes y la exposición al riesgo en la recuperación de créditos se administra como parte de las actividades normales, a través, entre otros aspectos por la obtención de fianzas y avales.

La Sociedad cuenta con procedimientos formales para la detección del deterioro de créditos comerciales. Mediante estos procedimientos y el análisis individual por áreas de negocio, se identifican retrasos en los pagos y se establecen los métodos a seguir para estimar la pérdida por deterioro.

Efectivo y equivalentes de efectivo

La Sociedad mantiene efectivo y equivalentes de efectivo por 62.321 miles de euros que representan su máxima exposición al riesgo por estos activos.

El efectivo y equivalentes de efectivo son mantenidos con bancos e instituciones financieras.

Riesgo de liquidez

Se define como el riesgo de que la Sociedad tenga dificultades para cumplir con sus obligaciones asociadas a sus pasivos financieros que son liquidados mediante la entrega de efectivo o de otros activos financieros.

La Sociedad lleva a cabo una gestión prudente del riesgo de liquidez, fundada en el mantenimiento de suficiente liquidez para cumplir con sus obligaciones cuando vencen, tanto en condiciones normales como de tensión, sin incurrir en pérdidas inaceptables o arriesgar la reputación de la Sociedad.

Al 31 de diciembre de 2017 el fondo de maniobra de la Sociedad es negativo en un importe de 912 miles de euros, derivado fundamentalmente de la deuda contraída con su participada Testa Alquileres Urbanos, S.A.U. Los Administradores estiman que la deuda con su filial se renovara en el ejercicio 2018 por al menos un ejercicio, por lo que el fondo de maniobra descontando el efecto de la mencionada deuda ascendería a 50.823 miles de euros positivo.

Riesgo de tipo de cambio

La Sociedad no tiene exposición al riesgo de fluctuaciones en los tipos de cambio pues realiza sus operaciones en moneda funcional.

Riesgo fiscal

La Sociedad se acogió al régimen fiscal especial de la Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI). Según lo establecido en el artículo 6 de la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre las SOCIMI, las sociedades que han optado por dicho régimen están 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 siguientes a la conclusión de cada ejercicio y pagarse dentro del mes siguiente a la fecha del acuerdo de distribución.

Al 31 de diciembre de 2017, la Sociedad Dominante no cumple el requisito asociado a la incorporación de sus acciones al mercado bursátil, cuya fecha límite es el 22 de septiembre de 2018. En este sentido, el Consejo de Administración ha aprobado en su sesión del 30 de noviembre de 2017, el inicio del proceso que permitirá incorporar las acciones de la Sociedad al mercado continuo en los próximos meses. Por este motivo, y considerando el apoyo de los Accionistas, los Administradores de la Sociedad estiman que el requisito de cotización junto con el resto de requisitos exigidos para poder aplicar el régimen fiscal especial, se cumplirán según los términos establecidos por la normativa vigente, y que la Sociedad permanecerá acogida al régimen SOCIMI.

5. ACCIONES PROPIAS

Al 31 de diciembre de 2017 y 2016 la Sociedad no mantiene acciones propias.

6. EVOLUCION PREVISIBLE/ I+D+i / OTROS

Para ejercicio 2018 Testa espera seguir en la misma tónica de excelente grado de ocupación y mantenimiento de rentas.

La Sociedad espera asimismo continuar adquiriendo activos que encajen en su estrategia inversora para lo que cuenta al 31 de diciembre de 2017 con una posición de tesorería de 62 millones de euros, así como 450 millones de euros sin disponer del nuevo préstamo sindicado.

La Sociedad considera que cumple con el plazo máximo legal a efectos de la lucha contra la morosidad. El periodo medio de pago a proveedores asciende aproximadamente a 13 días.

La Sociedad no ha desarrollado durante el ejercicio 2017 ninguna actividad en materia de investigación y desarrollo.

Plantilla

El número medio de empleados de la Sociedad durante el ejercicio 2017 ascendió a 61 de los cuales el 44% son varones y el 56% son mujeres.

Responsabilidad corporativa

La actividad de la Sociedad por su naturaleza, no tiene un impacto medioambiental significativo.

TESTA RESIDENCIAL, SOCIMI, S.A.

Formulación de Cuentas Anuales e Informe de Gestión del ejercicio 2017

Reunidos los Administradores de la Sociedad TESTA RESIDENCIAL, SOCIMI, S.A. con fecha de 26 de marzo de 2018 y en cumplimiento de los requisitos establecidos en el artículo 253.2 del Texto Refundido de la Ley de Sociedades de Capital y en el artículo 37 del Código de Comercio, proceden a formular las cuentas anuales y el informe de gestión del ejercicio terminado el 31 de diciembre de 2017. Las cuentas anuales vienen constituidas por los documentos anexos que preceden a este escrito.

En Madrid a 26 de marzo de 2018

D. Ignacio Moreno Martínez (Presidente)

D. Miguel Oñate Rino (Consejero Delegado)

Merlin Properties, SOCIMI, S.A., representada por
D. Fernando Rodríguez-Avial Llardent

Finanzas y Cartera Uno, S.A., representada por
Dña. María Isabel Antúnez Cid

D. Carlos Manzano Cuesta

Altamira Santander Real Estate, S.A., representada
por D. Jaime Rodríguez Andrade

D. Cesáreo Rey-Baltar Oramas

D. José María Xercavins Lluch

D. Antonio Hernández Mancha

D. Javier Alarcó Canosa

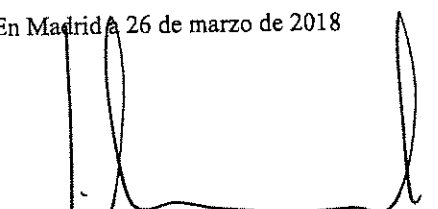
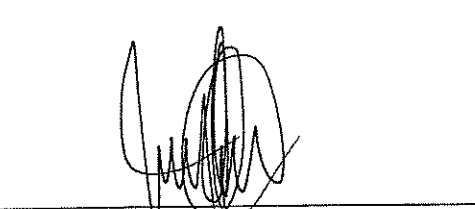
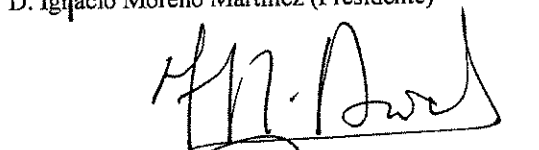

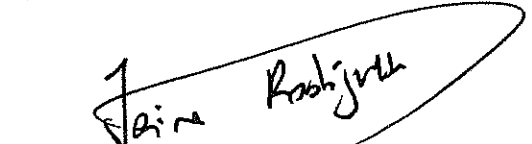
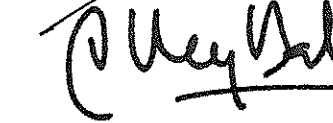

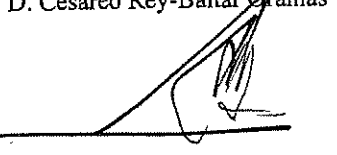
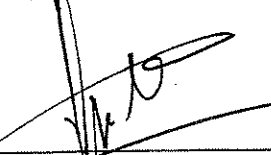
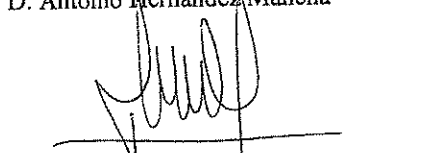
D. Lucas Osorio Iturmendi
Secretario del Consejo de Administración

TESTA RESIDENCIAL, SOCIMI, S.A.

Formulación de Cuentas Anuales e Informe de Gestión del ejercicio 2017

Reunidos los Administradores de la Sociedad TESTA RESIDENCIAL, SOCIMI, S.A. con fecha de 26 de marzo de 2018 y en cumplimiento de los requisitos establecidos en el artículo 253.2 del Texto Refundido de la Ley de Sociedades de Capital y en el artículo 37 del Código de Comercio, proceden a formular las cuentas anuales y el informe de gestión del ejercicio terminado el 31 de diciembre de 2017. Las cuentas anuales vienen constituidas por los documentos anexos que preceden a este escrito.

En Madrid a 26 de marzo de 2018


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D. José María Xercavins Lluch
D. Antonio Hernández Mancha
D. Javier Alarcó Canosa
D. Lucas Osorio Iturmendi
Secretario del Consejo de Administración

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TESTA RESIDENCIAL SOCIMI, S.A.

Cuentas Anuales e Informe de
Gestión del ejercicio anual
terminado el 31 de diciembre de
2016, junto con el Informe de
Auditoría Independiente

INFORME DE AUDITORÍA INDEPENDIENTE DE CUENTAS ANUALES

A los accionistas de Testa Residencial SOCIMI, S.A.:

Informe sobre las cuentas anuales

Hemos auditado las cuentas anuales adjuntas de Testa Residencial SOCIMI, S.A., que comprenden el balance de situación al 31 de diciembre de 2016, 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 terminado en dicha fecha.

Responsabilidad de los administradores en relación con las cuentas anuales

Los administradores son responsables de formular las cuentas anuales adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de Testa Residencial SOCIMI, S.A., de conformidad con el marco normativo de información financiera aplicable a la entidad en España, que se identifica en la Nota 2.1 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.

Responsabilidad del auditor

Nuestra responsabilidad es expresar una opinión sobre las cuentas anuales adjuntas basada en nuestra auditoría. Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la auditoría de cuentas vigente en España. Dicha normativa exige que cumplamos los requerimientos de ética, así como que planifiquemos y ejecutemos la auditoría con el fin de obtener una seguridad razonable de que las cuentas anuales están libres de incorrecciones materiales.

Una auditoría requiere la aplicación de procedimientos para obtener evidencia de auditoría sobre los importes y la información revelada en las cuentas anuales. Los procedimientos seleccionados dependen del juicio del auditor, incluida la valoración de los riesgos de incorrección material en las cuentas anuales, debida a fraude o error. Al efectuar dichas valoraciones del riesgo, el auditor tiene en cuenta el control interno relevante para la formulación por parte de la entidad de las cuentas anuales, con el fin de diseñar los 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. Una auditoría también incluye la evaluación de la adecuación de las políticas contables aplicadas y de la razonabilidad de las estimaciones contables realizadas por la dirección, así como la evaluación de la presentación de las cuentas anuales tomadas en su conjunto.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión de auditoría.

Opinión

En nuestra opinión, las cuentas anuales adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de Testa Residencial SOCIMI, S.A. al 31 de diciembre de 2016, 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 y, en particular, con los principios y criterios contables contenidos en el mismo.

Párrafo de énfasis

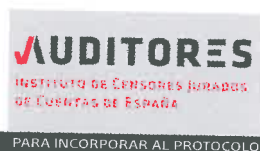
Llamamos la atención sobre la Nota 2.7 de la memoria del ejercicio 2016 adjunta que indica que en el ejercicio 2016 ha tenido lugar una combinación de negocios entre Testa Residencial SOCIMI, S.A. y el negocio residencial de Metrovacesa, S.A., siendo este último el negocio adquirente. En este sentido, los estados financieros de la Sociedad del ejercicio 2015 no se presentan a efectos comparativos junto con los del ejercicio 2016, al carecer la sociedad adquirente en la combinación de negocios (el negocio residencial de Metrovacesa) de estados financieros separados en el ejercicio 2015, puesto que estos se integraban en los de Metrovacesa, S.A. Esta cuestión no modifica nuestra opinión.

Informe sobre otros requerimientos legales y reglamentarios

El informe de gestión adjunto del ejercicio 2016 contiene las explicaciones que los administradores consideran oportunas sobre la situación de la sociedad, la evolución de sus negocios y sobre otros asuntos y no forma parte integrante de las cuentas anuales. Hemos verificado que la información contable que contiene el citado informe de gestión concuerda con la de las cuentas anuales del ejercicio 2016. Nuestro trabajo como auditores se limita a la verificación del informe de gestión con el alcance mencionado en este mismo párrafo y no incluye la revisión de información distinta de la obtenida a partir de los registros contables de la sociedad.

DELOITTE, S.L.
Inscrita en el R.O.A.C nº S0692

Antonio Sánchez-Covisa Martín-González
31 de marzo de 2017



DELOITTE, S.L.

Año 2017 Nº 01/17/23722
COPIA

.....
Informe de auditoría de cuentas sujeto
a la normativa de auditoría de cuentas
española o internacional
.....

TESTA RESIDENCIAL SOCIMI, S.A.

Cuentas anuales correspondientes al
ejercicio anual terminado el 31 de
diciembre de 2016 e Informe de
Gestión

Testa Residencial SOCIMI, S.A.

BALANCE AL 31 DE DICIEMBRE DE 2016 (Miles de Euros)

ACTIVO	Notas de la Memoria	31/12/2016	PATRIMONIO NETO Y PASIVO	Notas de la Memoria	31/12/2016
ACTIVO NO CORRIENTE			PATRIMONIO NETO		
Inmovilizado intangible -		1.105.840	Fondos propios -	Nota 14	648.561
Concesiones	Nota 6	79.739	Capital escriturado		649.050
Aplicaciones informáticas		79.705	Prima de emisión		46.766
Inversiones inmobiliarias -	Nota 7	34	Reservas -		411.032
Terrenos		886.411	Reserva legal		193.006
Construcciones		451.565	Otras reservas		3.203
Inversiones en empresas del Grupo y asociadas a largo plazo -	Nota 10	434.846	Resultado del ejercicio (perdida)	Nota 3	189.803
Instrumentos de patrimonio		132.137	Ajustes por cambios de valor		(1.754)
Inversiones financieras a largo plazo -		132.137			(489)
Derecho de cobro, Acuerdo de Concesión	Nota 8	7.287			
Otros activos financieros	Nota 11	3.587	PASIVO NO CORRIENTE	Nota 16	418.025
Activo por impuesto diferido -	Nota 18	3.700	Provisiones a largo plazo		1.410
		266	Deudas a largo plazo -		355.966
			Deuda con entidades de crédito	Nota 15	347.911
			Derivados	Nota 15	940
			Otros pasivos financieros	Nota 16	7.115
			Pasivos por impuesto diferido	Nota 18	60.649
ACTIVO CORRIENTE			PASIVO CORRIENTE		
Deudores comerciales y otras cuentas a cobrar -		31.488	Deudas a corto plazo -		70.742
Cientes por ventas y prestaciones de servicios	Nota 12	2.439	Deuda con entidades de crédito	Nota 15	12.635
Cientes, empresas del Grupo, asociadas y vinculadas	Nota 21.2	1.704	Deudas con empresas del Grupo y asociadas a corto plazo	Nota 21.2	12.635
Deudores varios		11	Acreedores comerciales y otras cuentas a pagar -	Nota 17	51.844
Inversiones en empresas del Grupo y asociadas a corto plazo	Nota 21.2	724	Proveedores		6.263
Inversiones financieras a corto plazo		464	Proveedores, empresas del Grupo, asociadas y vinculadas	Nota 21.2	1.566
Periodificaciones a corto plazo		24	Acreedores varios		2.745
Efectivo y otros activos líquidos equivalentes	Nota 13	665	Personal (Remuneraciones pendientes de pago)		624
		27.896	Pasivo por impuesto corriente	Nota 18	1.008
TOTAL ACTIVO		1.137.328	Otras deudas con Administraciones Públicas	Nota 18	7
			TOTAL PATRIMONIO NETO Y PASIVO		1.137.328

Las Notas 1 a 25 descritas en la Memoria adjunta forman parte integrante del balance al 31 de diciembre de 2016.

Testa Residencial, SOCIMI, S.A.

CUENTA DE PÉRDIDAS Y GANANCIAS DEL EJERCICIO 2016

(Miles de Euros)

	Notas de la Memoria	Ejercicio 2016
Importe neto de la cifra de negocios -		9.011
Ventas	Notas 20.1	9.011
Otros ingresos de explotación		3
Gastos de personal -	Nota 20.2	(1.988)
Sueldos, salarios y asimilados		(1.863)
Seguros Sociales		(125)
Otros gastos de explotación -	Notas 20.3	(4.669)
Servicios exteriores		(3.433)
Otros tributos		(1.170)
Perdidas por deterioro de créditos por operaciones comerciales	Nota 12	(66)
Amortización del inmovilizado	Notas 6 y 7	(3.004)
Deterioro y resultados por enajenaciones de inmovilizado	Nota 7	163
RESULTADO DE EXPLOTACIÓN		(484)
Ingresos financieros -	Nota 20.4	1
De valores negociables y otros instrumentos financieros de terceros		1
Gastos financieros -	Nota 20.4	(1.136)
Por deudas con empresas del Grupo y asociadas	Nota 21.1	(751)
Por deudas con terceros		(385)
RESULTADO FINANCIERO		(1.135)
RESULTADO ANTES DE IMPUESTOS		(1.619)
Impuestos sobre beneficios	Nota 18.2	(135)
RESULTADO DEL EJERCICIO		(1.754)

Las Notas 1 a 25 descritas en la Memoria adjunta forman parte integrante de la cuenta de pérdidas y ganancias del ejercicio 2016



Testa Residencial, SOCIMI, S.A.

ESTADO DE CAMBIOS EN EL PATRIMONIO NETO DEL EJERCICIO 2016

A) ESTADO DE INGRESOS Y GASTOS RECONOCIDOS

(Miles de Euros)

	Ejercicio 2016
RESULTADO DE LA CUENTA DE PÉRDIDAS Y GANANCIAS (I)	(1.754)
Ingresos y gastos imputados directamente al patrimonio neto	
- Por valoración de instrumentos financieros	-
- Por cobertura de flujos de efectivo	-
- Subvenciones, donaciones y legados recibidos	-
- Por ganancias y pérdidas actuariales y otros ajustes	-
- Efecto impositivo	-
TOTAL INGRESOS Y GASTOS IMPUTADOS DIRECTAMENTE EN EL PATRIMONIO NETO (II)	-
Transferencias a la cuenta de pérdidas y ganancias	
- Por valoración de instrumentos financieros	-
- Por cobertura de flujos de efectivo	-
- Subvenciones, donaciones y legados recibidos	-
- Efecto impositivo	-
TOTAL TRANSFERENCIAS A LA CUENTA DE PÉRDIDAS Y GANANCIAS (III)	-
TOTAL INGRESOS Y GASTOS RECONOCIDOS (I+II+III)	(1.754)

Las Notas 1 a 25 descritas en la Memoria adjunta forman parte integrante del estado de ingresos y gastos reconocidos correspondiente al ejercicio 2016

Testa Residencial, SOCIMI, S.A.

ESTADO DE CAMBIOS EN EL PATRIMONIO NETO DEL EJERCICIO 2016

B) ESTADO TOTAL DE CAMBIOS EN EL PATRIMONIO NETO

(Miles de Euros)

	Capital	Prima de emisión	Reservas	Resultado del ejercicio	Ajustes por cambios de valor	TOTAL
SALDO INICIAL DEL EJERCICIO 2016	46.766	411.032	193.006	-	(489)	650.315
Total ingresos y gastos reconocidos	-	-	-	(1.754)	-	(1.754)
SALDO FINAL DEL EJERCICIO 2016	46.766	411.032	193.006	(1.754)	(489)	648.561

Las Notas 1 a 25 descritas en la Memoria adjunta forman parte integrante del estado total de cambios en el patrimonio neto correspondiente al ejercicio 2016

Testa Residencial, SOCIMI, S.A.

ESTADO DE FLUJOS DE EFECTIVO DEL EJERCICIO 2016

(Miles de Euros)

	Notas de la Memoria	Ejercicio 2016
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE EXPLOTACIÓN (I)		
Resultado del ejercicio antes de impuestos		23.692
Ajustes al resultado:		(1.618)
- Amortización del inmovilizado	Notas 6 y 7	5.212
- Correcciones valorativas por deterioro	Nota 12	3.004
- Variación de provisiones		66
- Resultados por bajas y enajenaciones de inmovilizado	Nota 7	1.170
- Ingresos financieros	Nota 20.4	(163)
- Gastos financieros	Nota 20.4	(1)
Cambios en el capital corriente		1.136
- Deudores y otras cuentas a cobrar		(4.121)
- Acreedores y otras cuentas a pagar		(1.296)
- Otros activos y pasivos no corrientes		(3.448)
Otros flujos de efectivo de las actividades de explotación	Nota 8	623
- Pagos de intereses		24.219
- Cobros de intereses		(1.162)
- Cobros (pagos) por impuesto sobre beneficios	Nota 18.1	1
- Otros cobros (pagos)	Nota 5	(127)
		25.507
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE INVERSIÓN (II)		4.667
Cobros por desinversiones		4.667
- Inversiones inmobiliarias	Nota 7	4.667
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE FINANCIACIÓN (III)		(463)
Cobros y pagos por instrumentos de pasivo financiero		(463)
- Devolución y amortización de deudas con entidades de crédito		(463)
EFFECTO DE LAS VARIACIONES DE LOS TIPOS DE CAMBIO (IV)		-
AUMENTO/DISMINUCIÓN NETA DEL EFECTIVO O EQUIVALENTES (I+II+III+IV)		27.896
Efectivo o equivalentes al comienzo del ejercicio		-
Efectivo o equivalentes al final del ejercicio		27.896

Las Notas 1 a 25 descritas en la Memoria adjunta forman parte integrante del estado de flujos de efectivo correspondiente al ejercicio 2016



TESTA RESIDENCIAL SOCIMI, S.A.

Memoria del ejercicio terminado

el 31 de diciembre de 2016

1. Naturaleza y actividad de la Sociedad

Testa Residencial, SOCIMI, S.A. (en adelante, la Sociedad), se constituyó como Sociedad Anónima y bajo la denominación social Vallehermoso Patrimonio, S.A., en Madrid, el 4 de enero de 2001, ante el Notario D. José Aristónico García Sánchez, por un período de tiempo indefinido.

Con fecha 24 de junio de 2005 cambió su denominación social de Vallehermoso Patrimonio, S.A. a Testa Residencial, S.L.U.

Con fecha 7 de abril de 2006 el Socio Único de Testa Residencial, S.L.U., Testa Inmuebles en Renta, S.A., formalizó mediante escritura pública ante el Notario de Madrid D. José Aristónico García Sánchez, y con número de su protocolo 836/2006, la aportación por parte del Socio Único de la rama de actividad de arrendamiento de viviendas situadas en territorio español, conforme a la decisión del Consejo de Administración de Testa Inmuebles en Renta, S.A. de fecha 20 de diciembre de 2005.

La Sociedad con C.I.F. A82865890 se encuentra legalmente inscrita en el Registro Mercantil de Madrid.

La Sociedad desde el 26 de septiembre de 2016 tiene su domicilio social en Ventura Rodríguez, 7, Madrid aunque, en virtud del acuerdo del Consejo de Administración del mes de febrero de 2017 se tiene previsto formalizar el cambio de domicilio social a Paseo de la Castellana 257 en Madrid.

Su objeto social consiste en el arrendamiento de viviendas situadas en territorio español que hayan sido construidas, promovidas o adquiridas por la Sociedad.

Todas las actividades se realizan únicamente en territorio español.

En el ejercicio 2015, la Sociedad estaba integrada en el Grupo Testa cuya Sociedad dominante era Testa Inmuebles en Renta, SOCIMI, S.A., con domicilio social en Madrid, Paseo de la Castellana, número 83-85, siendo esta Sociedad la que formulaba cuentas anuales consolidadas.

A su vez el Grupo Testa estaba integrado, desde junio de 2015, en el Grupo Merlin cuya sociedad dominante es Merlin Properties SOCIMI, S.A., con domicilio social en Madrid, Paseo de la Castellana, número 42, siendo esta sociedad la que formula estados financieros consolidados. Las cuentas anuales consolidadas del Grupo Merlin del ejercicio 2015 fueron formuladas por los Administradores de Merlin Properties SOCIMI, S.A. en la reunión de su Consejo de Administración celebrada el 26 de febrero de 2016 y aprobadas por la Junta General Ordinaria de Accionistas celebrada el 6 de abril de 2016 y depositadas en el Registro Mercantil de Madrid.

Desde septiembre de 2016, tras la combinación de los negocios residenciales de Testa Residencial y Metrovacesa descrita en la Nota 5, no existe ningún accionista individual que disponga del control de la Sociedad, en la medida que en los nuevos estatutos sociales de la Sociedad, se estipula que los acuerdos deben adoptarse tanto por mayoría a nivel del Consejo de Administración como a nivel de la Junta de Accionistas. Adicionalmente, los accionistas carecen de los derechos de voto suficientes en los mencionados órganos para ejercer el control.

Dadas las actividades a las que actualmente se dedica la Sociedad, la misma no tiene responsabilidades, gastos, activos, ni provisiones y 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 en la presente memoria de las cuentas anuales respecto a información de cuestiones medioambientales.

La Sociedad mantiene suscrito un contrato de apoyo a la gestión de su actividad con uno de sus accionistas por la que devenga unos honorarios de 7,7 millones de euros anuales (véase Nota 21.1).

1.1 Régimen Socimi

Testa Residencial, SOCIMI, S.A., se encuentra 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 22 de septiembre de 2016 la Junta General de Accionistas solicitó la incorporación de la Sociedad al Régimen Fiscal SOCIMI, de aplicación a partir del 1 de enero de 2016 modificando su denominación social de Testa Residencial S.A.U. a Testa Residencial, SOCIMI, S.A.

El artículo 3 establece los requisitos de inversión de este tipo de Sociedades, a saber:

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 importe 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 procedentes 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 la mencionada 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 entidades a que se refiere el apartado 1 del artículo 2 de la citada Ley.

3. Los bienes inmuebles que integren el activo de la SOCIMI 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 SOCIMI 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 la Ley, siempre que a dicha fecha el bien se encontrara arrendado u ofrecido en arrendamiento. De lo contrario, se estará sujeto 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 la mencionada Ley, deberán mantenerse en el activo de la SOCIMI 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 la citada 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.

Al 31 de diciembre de 2016 la Sociedad se encuentra pendiente de cumplir con el requisito de cotización de sus acciones, si bien actualmente se encuentra dentro del periodo transitorio regulado en la Disposición Transitoria Primera de la Ley 11/2009. Los Administradores de la Sociedad estiman que se cumplirán dichos requisitos en el periodo de dos años que permite la ley.

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.

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

Estas cuentas anuales se han formulado por los Administradores de acuerdo con el marco normativo de información financiera aplicable a la Sociedad, que es el establecido en:

- Código de Comercio y la restante legislación mercantil.
- Plan General de Contabilidad aprobado por el Real Decreto 1514/2007 y sus adaptaciones sectoriales.
- Las normas de obligado cumplimiento aprobadas por el Instituto de Contabilidad y Auditoría de Cuentas en desarrollo del Plan General de Contabilidad y sus normas complementarias.
- Ley 11/2009, de 26 de Octubre, modificada por la Ley 16/2012, de 27 de diciembre, por el que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI).
- El resto de la normativa contable española que resulte de aplicación.

Las cifras incluidas en las cuentas anuales están expresadas en miles de euros.

2.2 Imagen fiel

Las cuentas anuales adjuntas del ejercicio 2016 han sido obtenidas de los registros contables de la Sociedad y se presentan de acuerdo con el R.D. 1514/2007 por el que se aprueba el Plan General de Contabilidad, así como las modificaciones a éste introducidas por el R.D. 1159/2010, de forma que muestran la imagen fiel del patrimonio, de la situación financiera, de los resultados de la Sociedad y de los flujos de efectivo habidos durante el ejercicio 2016.

Estas cuentas anuales, que han sido formuladas por el Consejo de Administración, se someterán a la aprobación por la Junta General Ordinaria de Accionistas, estimándose que serán aprobadas sin modificación alguna.

2.3 Principios contables aplicados

Los Administradores han formulado estas cuentas anuales teniendo en consideración la totalidad de los principios y normas contables de aplicación obligatoria que tienen un efecto significativo en dichas cuentas anuales. No existe ningún principio contable que siendo obligatorio, haya dejado de aplicarse. No se han aplicado principios

contables no obligatorios.

2.4 Aspectos críticos de la valoración y estimación de la incertidumbre

En la preparación de las cuentas anuales de la Sociedad, los Administradores han realizado estimaciones que están basadas en la experiencia histórica y en otros factores que se consideran razonables de acuerdo con las circunstancias actuales y que constituyen la base para establecer el valor contable de los activos y pasivos cuyo valor no es fácilmente determinable mediante otras fuentes. Básicamente estas estimaciones se refieren a:

1. El valor de mercado de los activos netos incorporados en las combinaciones de negocio (véase Nota 5).
2. El valor de mercado de los activos inmobiliarios de la Sociedad (véase Notas 4.1 y 4.2). La Sociedad ha obtenido valoraciones de expertos independientes al 31 de diciembre de 2016.
3. La evaluación de posibles pérdidas por deterioro de determinados activos (véase Nota 4.4).
4. El valor razonable de determinados instrumentos financieros (véase Nota 4.4).
5. La evaluación de las provisiones y contingencias (véase Nota 4.8).
6. La gestión del riesgo financiero y en especial el riesgo de liquidez (véase Nota 23).
7. Definición de la transacción realizada por la Sociedad como una combinación de negocios (denominada "fusión inversa") acorde a la Norma de Registro y Valoración 19 (véase Nota 5).
8. Cumplimiento de los requisitos que regulan a las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario.

A pesar de que estas estimaciones se han realizado sobre la base de la mejor información disponible al cierre del ejercicio 2016, es posible que acontecimientos que puedan tener lugar en el futuro obliguen a modificarlas (al alza o a la baja) en los próximos ejercicios, lo que se realizaría, en su caso, de forma prospectiva.

2.5 Agrupación de partidas

Determinadas partidas del balance, de la cuenta de pérdidas y ganancias, del estado de cambios en el patrimonio neto y del estado de flujos de efectivo se presentan de forma agrupada para facilitar su comprensión, si bien, en la medida en que sea significativa, se ha incluido la información desagregada en las correspondientes notas de la memoria.

2.6 Cambios en estimaciones y criterios contables

El efecto de cualquier cambio en estimaciones contables, se registra en el mismo apartado de la cuenta de resultados en que se encuentre registrado el gasto o ingreso con la estimación anterior de forma prospectiva.

Cambios en políticas contables y corrección de errores: el efecto de este tipo de cambios y correcciones se registra del siguiente modo: en aquellos casos que sean significativos, el efecto acumulado al inicio del ejercicio se ajusta en el epígrafe de reservas, y el efecto del propio ejercicio se registra en la cuenta de pérdidas y ganancias del ejercicio. En estos casos, se reexpresan los datos financieros del ejercicio comparativo presentado junto al ejercicio en curso.

2.7 Comparación de la información

Tal y como se indica en la Nota 5, en el ejercicio 2016 ha tenido lugar una combinación de negocios entre Testa Residencial SOCIMI S.A. y el negocio residencial de Metrovacesa, S.A., siendo este último el negocio adquirente. En este sentido, los estados financieros del ejercicio 2015 no se presentan a efectos comparativos junto a los correspondientes del ejercicio 2016, al carecer el negocio residencial de Metrovacesa de estados financieros separados en el ejercicio 2015, puesto que estos se integraban en los de Metrovacesa, S.A..

3. Distribución de resultados

La propuesta de distribución de los resultados correspondientes al presente ejercicio, formulada por los Administradores de la Sociedad y pendiente de aprobación por la Junta General de Accionistas, es la siguiente (expresado en euros):

	euros
Resultado del ejercicio	(1.754.289,51)
Distribución:	
Resultados negativos del ejercicio	(1.754.289,51)

3.1 Limitaciones relativas a la distribución de dividendos

La Sociedad está acogida al régimen especial de las Sociedades Anónimas Cotizadas de Inversión Inmobiliaria. Según lo establecido en el artículo 6 de la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre las SOCIMI que hayan optado por el régimen fiscal especial, estarán obligadas a distribuir sus beneficios 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 siguientes a la conclusión de cada ejercicio y pagarse dentro del mes siguiente a la fecha del acuerdo de distribución.

Por otro lado, tal y como indica la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre, las Sociedad deberá distribuir como dividendos:

- El 100% de los beneficios procedentes de dividendos o participaciones en beneficios distribuidos por las entidades a que se refiere el apartado 1 del artículo 2 de la Ley 11/2009.
- Al menos el 50% de los beneficios derivados de la transmisión de inmuebles y acciones o participaciones a que se refiere el apartado 1 del artículo 2 de la Ley 11/2009, realizadas una vez transcurridos los plazos a que se refiere el apartado 2 del artículo 3 de la Ley 11/2009, afectos al cumplimiento de su objeto social principal. El resto de estos beneficios deberán 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, estos 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.
- Al menos el 80% 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 en la forma descrita anteriormente.

4. Normas de registro y valoración

Las principales normas de registro y valoración utilizadas por la Sociedad en la elaboración de sus cuentas anuales del ejercicio 2016, son las siguientes:

4.1 Inmovilizado intangible

Como norma general, el inmovilizado intangible se valora inicialmente por su precio de adquisición o coste de producción. Posteriormente se valora a su coste minorado por la correspondiente amortización acumulada y, en su caso, por las pérdidas por deterioro que haya experimentado. Dichos activos se amortizan en función de la vida

útil. Cuando la vida útil de estos activos no puede estimarse de manera fiable se amortizan en un plazo de diez años.

Las ganancias o pérdidas derivadas de la baja de un activo intangible se valoran como la diferencia entre los recursos netos obtenidos de la enajenación y el valor en libros del activo, y se registran en la cuenta de resultados cuando el activo es dado de baja.

Aplicaciones informáticas

La Sociedad registra en este epígrafe los costes incurridos en la adquisición y desarrollo de programas informáticos, incluidos los costes de desarrollo de las páginas web. Los costes de mantenimiento de las aplicaciones informáticas se registran en la cuenta de pérdidas y ganancias del ejercicio en que se incurren. La amortización de las aplicaciones informáticas se realiza aplicando el método lineal durante un periodo de 3 años.

Proyectos concesionales

En este epígrafe se recogen las concesiones administrativas y se contabilizan a su coste de adquisición o producción menos la amortización acumulada y las pérdidas por deterioro acumuladas existentes.

Las concesiones administrativas se registran por el importe satisfecho por la Sociedad en concepto de canon de explotación y se amortizan linealmente durante los años de la concesión.

Las ganancias o pérdidas derivadas de la baja de un proyecto concesional se valoran como la diferencia entre los recursos netos obtenidos de la enajenación y el valor en libros del activo, y se registran en la cuenta de pérdidas y ganancias cuando el activo es dado de baja.

Dentro de este epígrafe se incluye la concesión denominada "Bentaberri" situada en San Sebastián (Guipúzcoa), se amortiza linealmente en el periodo de concesión, la cual finaliza en el año 2069, con una duración total de 75 años. Esta concesión fue otorgada por el Gobierno Vasco.

Deterioro del valor de activos intangibles e inversiones inmobiliarias:

Siempre que existan indicios de pérdida de valor de los activos intangibles de vida útil definida, correspondiendo a tal calificación la totalidad de los activos intangibles de la Sociedad e inversiones inmobiliarias, la Sociedad procede a estimar mediante el denominado "test de deterioro" la posible existencia de pérdidas de valor que reduzcan el valor recuperable de dichos activos a un importe inferior al de su valor en libros.

El importe recuperable se determina como el mayor importe entre el valor razonable menos los costes de venta y el valor en uso. En particular, para la totalidad de las concesiones e inversiones inmobiliarias el importe recuperable se determina a partir de la valoración de un experto independiente, no vinculado a la Sociedad. La metodología utilizada para determinar el valor razonable de los activos se detalla en la Nota 7.

Cuando una pérdida por deterioro de valor se revierte posteriormente, el importe en libros del activo se incrementa a la estimación revisada de su importe recuperable, pero de tal modo que el importe en libros incrementado no supere el importe en libros que se habría determinado de no haberse reconocido ninguna pérdida por deterioro de valor para el activo en ejercicios anteriores. Dicha reversión de una pérdida por deterioro de valor se reconoce como ingreso.

4.2 Inversiones inmobiliarias

El epígrafe inversiones inmobiliarias del balance de situación recoge los valores de terrenos, edificios y otras construcciones que se mantienen bien, para explotarlos en régimen de alquiler, bien para obtener una plusvalía en su venta como consecuencia de los incrementos que se produzcan en el futuro en sus respectivos precios de mercado.

Las inversiones inmobiliarias se valoran al precio de adquisición, que incluyen los costes directamente atribuibles que son necesarios para su puesta en funcionamiento y la estimación inicial de los costes de desmantelamiento, incluyendo los costes asociados a la transacción. Posteriormente al reconocimiento inicial, la Sociedad contabiliza

las inversiones inmobiliarias a su valor de coste y se minora por la correspondiente amortización acumulada y las pérdidas por deterioro, si las hubiera, conforme al criterio mencionado en la Nota 4.1.

La amortización de estos elementos se realiza de manera sistemática y racional en función de la vida útil de los bienes y de su valor residual, atendiendo a la depreciación que normalmente sufran por su funcionamiento, uso y disfrute, sin perjuicio de considerar también la obsolescencia técnica o comercial que pudiera afectarlos. Para el cálculo de la amortización de las inversiones inmobiliarias se utiliza el método lineal en función de los años de vida útil estimados. Los porcentajes anuales de amortización aplicados sobre los respectivos valores de coste actualizado, en los casos que procede, así como los años de vida útil estimados, son los siguientes:

	Años de vida útil Estimados
Inmuebles para arrendamiento	30 – 70

Los costes financieros directamente atribuibles a la adquisición o desarrollo de las inversiones inmobiliarias se capitalizan cuando los activos requieran un periodo superior a un año para estar en condiciones de uso. Durante el ejercicio 2016, la Sociedad no se ha capitalizado gastos financieros.

El inmovilizado en curso no comienza a amortizarse hasta su entrada en funcionamiento, momento en que se traspa a su correspondiente cuenta de inversiones inmobiliarias, según su naturaleza.

Las inversiones inmobiliarias se dan de baja cuando se enajenan o se retiran de forma permanente del uso y no se esperan beneficios económicos futuros de su enajenación. Las ganancias o pérdidas por el retiro o la enajenación de la inversión se reconocen en la cuenta de resultados del periodo en que se produce dicho retiro o enajenación.

Las plusvalías o incrementos netos del valor resultante de las operaciones de actualización y de las asignaciones de plusvalías como consecuencia de combinaciones de negocios se amortizan en los ejercicios que restan por completar la vida útil de los elementos patrimoniales actualizados.

Los gastos de conservación y mantenimiento de los diferentes elementos que componen las inversiones inmobiliarias se imputan a la cuenta de pérdidas y ganancias del ejercicio en que se incurren. Por el contrario, los importes invertidos en mejoras que contribuyen a aumentar la capacidad o eficiencia o a alargar la vida útil de dichos bienes se registran como mayor coste de los mismos.

La Sociedad estima los deterioros sobre las inversiones inmobiliarias en base al valor razonable obtenido de la tasación del experto independiente, no vinculado a la Sociedad. La metodología utilizada para determinar el valor razonable de los activos se detalla en la Nota 7.

4.3 Arrendamientos

Los arrendamientos se clasifican como arrendamientos financieros siempre que de las condiciones de los mismos se deduzca que se transfieren al arrendatario sustancialmente los riesgos y beneficios inherentes a la propiedad del activo objeto del contrato. Los demás arrendamientos se clasifican como arrendamientos operativos. La Sociedad no mantiene arrendamientos financieros.

Arrendamiento operativo:

En las operaciones de arrendamiento operativo, la propiedad del bien arrendado y, sustancialmente todos los riesgos y beneficios que recaen sobre el bien, los tiene el arrendador.

Si la Sociedad actúa como arrendador los ingresos y gastos derivados de los acuerdos de arrendamiento operativo se cargan a la cuenta de pérdidas y ganancias en el ejercicio que se devengan. Asimismo, el coste de adquisición del bien arrendado se presenta en el balance conforme a su naturaleza, incrementado por el importe de los costes del contrato directamente imputables, los cuales se reconocen como gasto en el plazo del contrato, aplicando el mismo criterio utilizado para el reconocimiento de los ingresos por arrendamiento.

Si la Sociedad actúa como arrendatario, los gastos derivados de los acuerdos de arrendamiento operativo se cargan a la cuenta de pérdidas y ganancias en el ejercicio en que se devengan. Cualquier cobro o pago que pudiera realizarse al contratar un arrendamiento operativo, se tratará como un cobro o pago anticipado que se imputará a resultados a lo largo del periodo del arrendamiento, a medida que se cedan o reciban los beneficios del activo arrendado.

4.4 Activos financieros

Clasificación

Los activos financieros que posee la Sociedad se clasifican en las siguientes categorías:

- a) Préstamos y partidas a cobrar: activos financieros originados en la venta de bienes o en la prestación de servicios por operaciones de tráfico de la empresa, o los que no teniendo un origen comercial, no son instrumentos de patrimonio ni derivados y cuyos cobros son de cuantía fija o determinable y no se negocian en un mercado activo. Los ingresos por intereses se registran en el ejercicio en que se devengan, siguiendo un criterio financiero.
- b) Inversiones en el patrimonio de empresas del Grupo, asociadas y multigrupo: se consideran empresas del grupo aquellas vinculadas con la Sociedad por una relación de control, y empresas asociadas aquellas sobre las que la Sociedad ejerce una influencia significativa. Adicionalmente, dentro de la categoría de multigrupo se incluye a aquellas sociedades sobre las que, en virtud de un acuerdo, se ejerce un control conjunto con uno o más socios.
- c) Inversiones mantenidas hasta el vencimiento: valores representativos de deuda, con fecha de vencimiento fijada y cobros de cuantía determinable, que se negocian en un mercado activo y sobre los que la Sociedad manifiesta su intención y capacidad para conservarlos en su poder hasta la fecha de su vencimiento.
- d) Activos financieros mantenidos para negociar: son aquellos adquiridos con el objetivo de enajenarlos en el corto plazo o aquellos que forman parte de una cartera de la que existen evidencias de actuaciones recientes con dicho objetivo. Esta categoría incluye también los derivados financieros que no sean contratos de garantías financieras ni han sido designados como instrumentos de cobertura.

Valoración inicial

Los activos financieros se registran, en términos generales, inicialmente al valor razonable de la contraprestación entregada más los costes de la transacción que sean directamente atribuibles.

Los acuerdos de concesión cuya contraprestación recibida consista en un derecho incondicional a recibir efectivo u otro activo financiero, se califican como un activo financiero dentro de la categoría de préstamos y partidas a cobrar. Estos se valoran inicialmente por el valor razonable del servicio prestado, que en principio equivale al coste más el margen de construcción.

Desde el 1 de enero de 2010, en el caso de inversiones en el patrimonio de empresas del grupo que otorgan control sobre la sociedad dependiente, los honorarios abonados a asesores legales u otros profesionales relacionados con la adquisición de la inversión se imputan directamente a la cuenta de pérdidas y ganancias.

Valoración posterior

Los préstamos, partidas a cobrar, acuerdos de concesión e inversiones mantenidas hasta el vencimiento se valoran por su coste amortizado. No obstante, los créditos por operaciones comerciales con vencimiento no superior a un año y que no tienen un tipo de interés contractual, así como los anticipos y créditos al personal, los dividendos a cobrar y los desembolsos exigidos sobre instrumentos de patrimonio, cuyo importe se espera recibir en el corto plazo, se valoran inicialmente y posteriormente por su valor nominal, cuando el efecto de no actualizar los flujos de efectivo no es significativo.

En el caso de los acuerdos de concesión calificados como activos financieros, las actuaciones de reposiciones,

de grandes reparaciones, las necesarias para revertir y/o conservar la infraestructura, así como las mejoras o ampliaciones de capacidad originan el reconocimiento del correspondiente activo financiero. Los gastos financieros devengados hasta que la infraestructura está en condiciones de explotación, así como los que se produzcan con posterioridad se imputan a la cuenta de pérdidas y ganancias en el momento de su devengo.

Los activos financieros mantenidos para negociar se valoran a su valor razonable, registrándose en la cuenta de resultados el resultado de las variaciones en dicho valor razonable.

Las inversiones en empresas del grupo, asociadas y multigrupo se valoran por su coste, minorado, en su caso, por el importe acumulado de las correcciones valorativas por deterioro. Dichas correcciones se calculan como la diferencia entre su valor en libros y el importe recuperable, entendido éste como el mayor importe entre su valor razonable menos los costes de venta y el valor actual de los flujos de efectivo futuros derivados de la inversión. Salvo mejor evidencia del importe recuperable, se toma en consideración el patrimonio neto de la entidad participada, corregido por las plusvalías tácitas existentes en la fecha de la valoración (incluyendo el fondo de comercio, si lo hubiera).

Las correcciones valorativas por deterioro y, en su caso, su reversión, se registran como un gasto o un ingreso respectivamente, en la cuenta de resultados. La reversión del deterioro tiene como límite el valor original en libros de la inversión. En el caso de sociedades participadas con patrimonio neto negativo, la Sociedad sigue la política de provisionar dicho patrimonio neto negativo.

Se consideran empresas del Grupo cuando los estatutos sociales u otros acuerdos otorgan a Testa Residencial SOCIMI, S.A. el control de la participada, y son empresas asociadas cuando la participación se encuentra por encima del 20% y existe influencia significativa en la gestión.

La Sociedad es cabecera de un Grupo de sociedades que se detallan en la Nota 10. La Sociedad está exenta de consolidar por estar dispensada de esta obligación, de acuerdo con la normativa vigente, puesto que participa exclusivamente en sociedades dependientes que no poseen un interés significativo, ni individualmente ni en su conjunto, para la imagen fiel del patrimonio, de la situación financiera y de los resultados de las sociedades del Grupo.

Sin embargo, las principales magnitudes de los estados financieros consolidados no auditados, tras la aplicación las Normas para la Formulación de las Cuentas Anuales Consolidadas aprobadas por el Real Decreto 1159/2010, de 17 de septiembre, son las siguientes:

	Miles de Euros
Total activo	1.086.309
Patrimonio neto	648.878
Importe neto de la cifra de negocios	9.586
Resultado del ejercicio	(1.436)

Al menos al cierre del ejercicio la Sociedad realiza un test de deterioro para los activos financieros que no están registrados a valor razonable. Se considera que existe evidencia objetiva de deterioro si el valor recuperable del activo financiero es inferior a su valor en libros. Cuando se produce, el efecto de este deterioro se registra en la cuenta de pérdidas y ganancias.

La Sociedad da de baja los activos financieros cuando expiran o se han cedido los derechos sobre los flujos de efectivo del correspondiente activo financiero y se han transferido sustancialmente los riesgos y beneficios inherentes a su propiedad, tales como en ventas en firme de activos, cesiones de créditos comerciales en operaciones de "factoring" en las que la empresa no retiene ningún riesgo de crédito ni de interés, las ventas de activos financieros con pacto de recompra por su valor razonable o las titulizaciones de activos financieros en las que la empresa cedente no retiene financiaciones subordinadas ni concede ningún tipo de garantía o asume algún otro tipo de riesgo.

Por el contrario, la Sociedad no da de baja los activos financieros, y reconoce un pasivo financiero por un importe igual a la contraprestación recibida, en las cesiones de activos financieros en las que se retenga sustancialmente los riesgos y beneficios inherentes a su propiedad, tales como el descuento de efectos, el "factoring con recurso",

las ventas de activos financieros con pactos de recompra a un precio fijo o al precio de venta más un interés y las titulaciones de activos financieros en las que la empresa cedente retiene financiaciones subordinadas u otro tipo de garantías que absorben sustancialmente todas las pérdidas esperadas.

4.5 Pasivos financieros

Son pasivos financieros aquellos débitos y partidas a pagar que tiene la Sociedad y que se han originado en la compra de bienes y servicios por operaciones de tráfico de la empresa, o también aquellos que sin tener un origen comercial, no pueden ser considerados como instrumentos financieros derivados.

Los débitos y partidas a pagar se valoran inicialmente al valor razonable de la contraprestación recibida, ajustada por los costes de la transacción directamente atribuibles. Con posterioridad, dichos pasivos se valoran de acuerdo con su coste amortizado.

Los instrumentos financieros derivados de pasivo se valoran a su valor razonable, siguiendo los mismos criterios que los correspondientes a los activos financieros mantenidos para negociar descritos en el apartado anterior.

La Sociedad da de baja los pasivos financieros cuando se extinguen las obligaciones que los han generado.

Instrumentos de patrimonio

Un instrumento de patrimonio representa una participación residual en el patrimonio de la Sociedad, una vez deducidos todos sus pasivos.

Los instrumentos de capital emitidos por la Sociedad se registran en el patrimonio neto por el importe recibido, neto de los gastos de emisión.

4.6 Impuesto sobre beneficios

4.6.1 Régimen general

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 corresponden con el reconocimiento y la cancelación de los activos y pasivos por impuesto diferido. Estos 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.

Se reconocen pasivos por impuestos diferidos para todas las diferencias temporarias imponibles, salvo para aquellas en las que la diferencia temporaria se deriva del reconocimiento inicial del fondo de comercio cuya amortización no es deducible a efectos fiscales o del reconocimiento inicial de otros activos y pasivos en operaciones que no afecten ni al resultado fiscal ni al resultado contable.

Por su parte, los activos por impuestos diferidos, identificados con diferencias temporarias, sólo se reconocen en el caso de que se considere probable que la Sociedad va a tener en el futuro suficientes ganancias fiscales para poder hacerlos efectivos y no procedan del reconocimiento inicial de otros activos y pasivos en una operación que no afecta ni al resultado fiscal ni al resultado contable. El resto de activos por impuestos diferidos (bases imponibles negativas, diferencias temporarias y deducciones pendientes de compensar) solamente se reconocen en el caso de que se considere probable que la Sociedad vaya a tener en el futuro suficientes ganancias fiscales contra las que poder hacerlos efectivos.

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 y éstos son objeto de reconocimiento en la medida en que pase a ser probable su recuperación con beneficios fiscales futuros.

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.

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.

4.6.2 Régimen SOCIMI

El régimen fiscal especial de las SOCIMI, tras su modificación por la Ley 16/2012, de 27 de diciembre, se construye sobre la base de una tributación a un tipo del 0 por ciento en el Impuesto sobre Sociedades, siempre que se cumplan determinados requisitos. Entre ellos, merece la pena destacar la necesidad de que su activo, al menos en un 80 por ciento, esté constituido por inmuebles urbanos destinados al arrendamiento y adquiridos en plena propiedad o por participaciones en sociedades que cumplan los mismos requisitos de inversión y de distribución de resultados, españolas o extranjeras, coticen o no en mercados organizados. Igualmente, las principales fuentes de rentas de estas entidades deben provenir del mercado inmobiliario, ya sea del alquiler, de la posterior venta de inmuebles tras un período mínimo de alquiler o de las rentas procedentes de la participación en entidades de similares características. No obstante, el devengo del Impuesto se realiza de manera proporcional a la distribución de dividendos. Los dividendos percibidos por los socios estarán exentos, salvo que el perceptor sea una persona jurídica sometida al Impuesto sobre Sociedades o un establecimiento permanente de una entidad extranjera, en cuyo caso se establece una deducción en la cuota íntegra, de manera que estas rentas tributen al tipo de gravamen del socio. Sin embargo, el resto de rentas no serán gravadas mientras no sean objeto de distribución a los socios.

Tal y como establece la Disposición transitoria novena 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, la entidad estará sometida a un tipo de gravamen especial del 19 por ciento sobre el importe íntegro de los dividendos o participaciones en beneficios distribuidos a los socios cuya participación en el capital social de la entidad sea igual o superior a un 5 por ciento, cuando dichos dividendos, en sede de sus socios, estén exentos o tributen a un tipo de gravamen inferior al 10 por ciento. En este sentido, la Sociedad tiene establecido el procedimiento a través del cual se garantiza la confirmación por parte de los accionistas de su tributación procediendo, en su caso, a retener el 19% del importe del dividendo distribuido a los accionistas que no cumplan con los requisitos fiscales mencionados anteriormente.

4.7 Ingresos y gastos

Los ingresos y 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. Dichos ingresos se valoran por el valor razonable de la contraprestación recibida, deducidos descuentos e impuestos.

Ingresos por ventas y prestaciones de servicios

El reconocimiento de los ingresos por ventas se produce en el momento en que se han transferido al comprador los riesgos y beneficios significativos inherentes a la propiedad del bien vendido, no manteniendo la gestión corriente sobre dicho bien, ni reteniendo el control efectivo sobre el mismo.

Los ingresos por arrendamiento se registran en función de su devengo, distribuyéndose linealmente los beneficios en concepto de incentivos y los costes iniciales de los contratos de arrendamiento.

Los intereses recibidos de activos financieros se reconocen utilizando el método del tipo de interés efectivo, y los dividendos cuando se declara el derecho del accionista a recibirlos. En cualquier caso, los intereses y dividendos

de activos financieros devengados con posterioridad al momento de la adquisición se reconocen como ingresos en la cuenta de pérdidas y ganancias.

4.8 Provisiones y contingencias

Los Administradores de la Sociedad en la formulación de las cuentas anuales diferencian entre:

- a) Provisiones: saldos acreedores que cubren obligaciones actuales derivadas de sucesos pasados, cuya cancelación es probable que origine una salida de recursos, pero que resultan indeterminados en cuanto a su importe y/ o momento de cancelación.
- b) Pasivos contingentes: obligaciones posibles surgidas como consecuencia de sucesos pasados, cuya materialización futura está condicionada a que ocurra, o no, uno o más eventos futuros independientes de la voluntad de la Sociedad.

Las cuentas anuales recogen todas las provisiones con respecto a las cuales se estima que la probabilidad de que se tenga que atender la obligación es mayor que de lo contrario. Salvo que sean considerados como remotos, los pasivos contingentes no se reconocen en las cuentas anuales sino que se informa sobre los mismos en las notas de la memoria.

Las provisiones se valoran por el valor actual de la mejor estimación posible del importe necesario para cancelar o transferir la obligación, teniendo en cuenta la información disponible sobre el suceso y sus consecuencias, y registrándose los ajustes que surjan por la actualización de dichas provisiones como un gasto financiero conforme se va devengando.

La compensación a recibir de un tercero en el momento de liquidar la obligación, siempre que no existan dudas de que dicho reembolso será percibido, se registra como activo, excepto en el caso de que exista un vínculo legal por el que se haya exteriorizado parte del riesgo, y en virtud del cual la Sociedad no esté obligada a responder; en esta situación, la compensación se tendrá en cuenta para estimar el importe por el que, en su caso, figurará la correspondiente provisión.

4.9 Indemnizaciones por despido

De acuerdo con la legislación vigente, la Sociedad está obligada al pago de indemnizaciones a aquellos empleados con los que, bajo determinadas condiciones, rescinda sus relaciones laborales. Por tanto, las indemnizaciones por despido susceptibles de cuantificación razonable se registran como gasto en el ejercicio en el que se adopta la decisión del despido. En las cuentas anuales del ejercicio 2016 adjuntas no se ha registrado provisión alguna por este concepto, ya que no están previstas situaciones de esta naturaleza.

4.10 Combinaciones de negocios

Las combinaciones de negocios se contabilizan aplicando el método de adquisición para lo cual se determina la fecha de adquisición y se calcula el coste de la combinación, registrándose los activos identificables adquiridos y los pasivos asumidos a su valor razonable referido a dicha fecha.

El coste de la combinación se determina por la agregación de:

- Los valores razonables en la fecha de adquisición de los activos cedidos, los pasivos incurridos o asumidos y los instrumentos de patrimonio emitidos.
- El valor razonable de cualquier contraprestación contingente que depende de eventos futuros o del cumplimiento de condiciones predeterminadas.

No forman parte del coste de la combinación los gastos relacionados con la emisión de los instrumentos de patrimonio o de los pasivos financieros entregados a cambio de los elementos adquiridos.

Asimismo, tampoco forman parte del coste de la combinación los honorarios abonados a asesores legales u otros profesionales que hayan intervenido en la combinación ni por supuesto los gastos generados internamente por

estos conceptos. Dichos importes se imputan directamente en la cuenta de resultados.

En el supuesto excepcional de que surja una diferencia negativa en la combinación ésta se imputa a la cuenta de pérdidas y ganancias como un ingreso.

Si en la fecha de cierre del ejercicio en que se produce la combinación no pueden concluirse los procesos de valoración necesarios para aplicar el método de adquisición descrito anteriormente, esta contabilización se considera provisional, pudiéndose ajustar dichos valores provisionales en el período necesario para obtener la información requerida que en ningún caso será superior a un año. Los efectos de los ajustes realizados en este período se contabilizan retroactivamente modificando la información comparativa si fuera necesario.

Los cambios posteriores en el valor razonable de la contraprestación contingente se ajustan contra resultados, salvo que dicha contraprestación haya sido clasificada como patrimonio en cuyo caso los cambios posteriores en su valor razonable no se reconocen.

4.11 Negocios conjuntos

Las participaciones en Uniones Temporales de Empresas se han integrado en las cuentas anuales adjuntas en función del porcentaje de participación en los activos, pasivos, ingresos y gastos derivados de las operaciones realizadas por las mismas, eliminando los saldos recíprocos en activos y pasivos, así como, los ingresos, gastos y resultados no realizados frente a terceros.

Dicha Unión Temporal de Empresas, denominada UTE Benta Berri, se constituyó en Madrid el 10 de octubre de 1994 con domicilio social en San Sebastián, Polígono Benta-Berri, parcela 5. Dicha Unión Temporal de Empresas está participada en un 50% por Metrovacesa Alquileres Urbanos, S.L. y en un 50% por la Sociedad. Su objeto social es la construcción de viviendas de Protección Oficial, trasteros, garajes y locales comerciales para su subsiguiente gestión en régimen de alquiler y posterior venta en el sector de Benta-Berri del Plan General de Ordenación Urbana de San Sebastián, todo ello según el acuerdo del Gobierno Vasco de 15 de septiembre de 1994 por el cual se le adjudicó la concesión administrativa con duración de 75 años para la promoción concertada de 540 viviendas de protección oficial en el Polígono de Benta-Berri en San Sebastián.

Actualmente, la UTE Benta Berri se encarga de la gestión de los alquileres de las viviendas descritas en la Nota 6. La aportación en los distintos epígrafes del balance de situación y de la cuenta de pérdidas y ganancias del ejercicio 2016 derivada de la integración de la Unión Temporal de Empresas, no son relevantes para el conjunto de la Sociedad.

4.12 Transacciones con vinculadas

La Sociedad realiza todas sus operaciones con vinculadas a valores de mercado y de acuerdo con las condiciones reflejadas en los contratos. Los Administradores de la Sociedad consideran que no existen riesgos significativos por este aspecto de los que puedan derivarse pasivos de consideración en el futuro.

4.13 Partidas corrientes y no corrientes

Se consideran activos corrientes aquellos vinculados al ciclo normal de explotación que con carácter general se considera de un año, también aquellos otros activos cuyo vencimiento, enajenación o realización se espera que se produzca en el corto plazo desde la fecha de cierre del ejercicio, los activos financieros mantenidos para negociar, con la excepción de los derivados financieros cuyo plazo de liquidación sea superior al año y el efectivo y otros activos líquidos equivalentes. Los activos que no cumplen estos requisitos se califican como no corrientes.

Del mismo modo, son pasivos corrientes los vinculados al ciclo normal de explotación, los pasivos financieros mantenidos para negociar, con la excepción de los derivados financieros cuyo plazo de liquidación sea superior al año y en general todas las obligaciones cuya vencimiento o extinción se producirá en el corto plazo. En caso contrario, se clasifican como no corrientes.

4.14 Estado de flujos de efectivo

En el estado de flujos de efectivo, preparado de acuerdo al método indirecto, se utilizan las siguientes expresiones en los siguientes sentidos:

- Flujos de efectivo: entradas y salidas de dinero en efectivo y de sus equivalentes; entendiéndose por éstos las inversiones a corto plazo de gran liquidez y bajo riesgo de alteraciones en su valor.
- Actividades de explotación: actividades típicas de la Sociedad, 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 a largo plazo y otras inversiones no incluidas en el efectivo y sus 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.

5. Combinaciones de negocios

5.1 Acuerdo de integración con el negocio residencial de Metrovacesa, S.A.

Con fecha 21 de junio de 2016 Merlin Properties SOCIMI, S.A. (Socio Único de Testa Residencial S.L.U.) firmó un acuerdo de integración con Metrovacesa, S.A. y sus principales accionistas (Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A. y Banco Popular Español, S.A.) con el objetivo de crear una de las principales sociedades inmobiliarias españolas de activos residenciales en alquiler. Con fecha 26 de agosto de 2016 la integración fue aprobada por las autoridades de defensa de la competencia española y el 15 de septiembre de 2016 fue aprobada por las Juntas Generales de Accionistas de la Sociedad y Metrovacesa, S.A. Los acuerdos tomados por las respectivas juntas fueron inscritos en el Registro Mercantil el 26 de octubre de 2016.

La operación se articuló a través de la escisión total de Metrovacesa, S.A. produciéndose la extinción de dicha sociedad y la incorporación a la Sociedad de la unidad de negocio residencial de Metrovacesa, consistente en el patrimonio de bienes inmuebles de uso residencial destinados a su explotación en arrendamiento (incluyendo parte del personal del grupo Metrovacesa y los activos residenciales, acciones o participaciones de sociedades filiales o participadas, contratos y en general todos los activos y pasivos no financieros de Metrovacesa asociados al patrimonio residencial y adicionalmente, 250 millones de euros de deuda financiera). Como contraprestación por el negocio recibido, la Sociedad llevó a cabo una ampliación de capital social mediante la emisión de 3.075.278.154 acciones de 1 céntimo de valor nominal cada una de ellas, con una prima de emisión de 13 céntimos por acción emitida. Esta ampliación fue suscrita íntegramente por los accionistas de Metrovacesa, S.A. Como resultado de esta transacción, los accionistas de Metrovacesa, S.A. adquirieron el 65,67 % del capital social de la Sociedad (Banco Santander 46,21%, Banco Bilbao Vizcaya Argentaria 13,34% y Banco Popular 6,21%).

Desde el punto de vista del registro contable de la operación, debe considerarse los siguientes aspectos:

- La combinación de los negocios residenciales de Testa Residencial y Metrovacesa, de acuerdo con lo establecido en el Plan general de contabilidad, es una adquisición inversa en la que el negocio residencial de Metrovacesa adquiere el control sobre Testa Residencial, si bien es esta última entidad jurídica la que subsiste.
- En cuanto al registro y valoración de la combinación de negocios deben considerarse las siguientes implicaciones:
 - Los activos y pasivos del negocio residencial de Metrovacesa, S.A. se registran a su valor razonable a la fecha de escisión. Esto es así, porque la operación de escisión descrita anteriormente debe ser analizada conjuntamente con la combinación de negocios entre Testa Residencial y el negocio residencial de Metrovacesa, S.A., de forma que la misma debe considerarse realizada bajo el

alcance de la Norma de Valoración 19ª del PGC, lo que implica el registro de los activos y pasivos del negocio residencial escindido de Metrovacesa

- por su valor razonable a la fecha de la escisión, y por tanto el registro de sus ingresos y gastos a partir de dicha fecha.

El resumen de estos valores incorporados es el siguiente:

	Miles de euros		
	Valor en Libros	Ajuste de Valor	Valor Incorporado
Inversiones inmobiliarias (Nota 7)	622.266	14.785	637.051
Inversiones en empresas del grupo y asociadas a largo plazo (Nota 10)	34.901	97.236	132.137
Otros activos no corrientes	1.692	-	1.692
Activos corrientes	35.840	-	35.840
Pasivos por impuesto diferido (Nota 18.3)	-	(17.436)	(17.436)
Pasivos no corrientes	(255.733)	-	(255.733)
Pasivos corrientes	(70.224)	-	(70.224)
Total activos netos	368.742	94.585	463.327

- Adicionalmente, los activos netos de Testa Residencial sociedad adquirida han sido incorporados por su valor razonable a la fecha de la combinación de negocios. El resumen de estos valores es el siguiente:

	Miles de euros		
	Valor en Libros	Ajuste de Valor	Valor Incorporado
Inmovilizado intangible(Nota 6)	14.149	65.943	80.092
Inversiones inmobiliarias (Nota 7)	116.671	139.153	255.824
Acuerdos concesionales (Nota 8)	3.392	759	4.151
Otros activos no corrientes	1.997	-	1.997
Activos por impuesto diferido	266	-	266
Activos corrientes	2.420	-	2.420
Pasivos por impuesto diferido	-	(43.216)	(43.216)
Pasivos no corrientes	(112.750)	-	(112.750)
Pasivos corrientes	(2.403)	-	(2.403)
Total activos netos	23.742	162.639	186.381

De acuerdo con lo establecido por las normas contables en relación con las adquisiciones inversas, el patrimonio neto inicial de la sociedad combinada corresponde al del negocio residencial de Metrovacesa, más el incremento de patrimonio equivalente al valor razonable de los activos netos de Testa Residencial SOCIMI, S.A., si bien, el capital social correspondiente al de Testa Residencial SOCIMI, S.A., sociedad que legalmente subsiste.

Para la estimación del valor razonable de los activos netos, cuya naturaleza es principalmente inmobiliaria, de ambos negocios, la Sociedad ha utilizado valoraciones realizadas por expertos independientes, no vinculados a la Sociedad. El efecto fiscal estimado por los Administradores de la Sociedad asociado al reconocimiento del citado incremento de valor ha ascendido a 60.652 miles de euros, registrado en el epígrafe de "Pasivos por impuesto diferido" del balance adjunto. En el Anexo II se detalla la relación de bienes del negocio residencial de Testa Residencial y Metrovacesa que se encuentran registrados en los libros de Testa Residencial SOCIMI, S.A. por un valor diferente a aquel en el que figuraban en la Sociedad antes de la operación de fusión o en la sociedad escindida, respectivamente.

Por otro lado, tal y como se ha mencionado anteriormente, el registro del negocio residencial escindido de Metrovacesa implica el reconocimiento de sus ingresos y gastos a partir de la fecha de escisión, por lo que los resultados del ejercicio 2016 han correspondido a los generados por la Sociedad (entidad combinada de Testa Residencial SOCIMI S.A. más el negocio residencial de Metrovacesa, S.A.), desde la fecha de escisión/fusión hasta la fecha de cierre de los estados financieros.

Esta operación se ha acogido al régimen fiscal especial previsto en el capítulo VII del Título VII del artículo 89 de la Ley 27/2014, de 27 de noviembre del Impuesto sobre Sociedades. Los beneficios fiscales recibidos por la combinación de negocios corresponden, fundamentalmente, a activos y pasivos por impuesto diferidos que ascendían a 266 y 60.652 miles de euros, respectivamente (véase Nota 18.3). Los negocios residenciales registrados en la mencionada combinación de negocios no han incorporado bases imponibles negativas ni deducciones pendientes de aplicar.

Los costes de transacción asociados en la operación han ascendido a 1.394 miles de euros y se encuentran registrados en reservas del balance del ejercicio 2016 adjunto.

El valor razonable de las cuentas por cobrar reconocidas, principalmente de naturaleza comercial, asciende a 184 miles de euros y no difiere de sus importes contractuales brutos. Los Administradores de la Sociedad no estiman que a la fecha de adquisición hubiera indicios de que no se fueran a cobrar en su totalidad.

Si su adquisición hubiera tenido lugar el 1 de enero de 2016 el beneficio neto habría aumentado en 3.414 miles de euros, y los ingresos aportados a la Sociedad habrían aumentado en 15.979 miles de euros, aproximadamente.

Flujo de caja neto en la adquisición

	Miles de Euros
Efectivo incorporado	25.507
Total	25.507

5.2 Acuerdo de cesión global de activos y pasivos de Gesfontesta S.A.U.

Con fecha 18 de octubre de 2016 las Juntas Generales de Accionistas de Merlin Properties SOCIMI S.A. y Metrovacesa, S.A. acordaron estructurar el traspaso de Gesfontesta S.A.U., (sociedad dependiente del Grupo Merlin) a la Sociedad, mediante una cesión global de activos y pasivos por parte de Gesfontesta S.A.U. (Sociedad Cedente) a la Sociedad (Sociedad Cesionaria). Los acuerdos tomados por las respectivas juntas fueron inscritos en el Registro Mercantil el 19 de diciembre de 2016.

La operación se articuló a través de la cesión global de activo y pasivo de Gesfontesta, S.A.U. produciéndose la extinción de dicha sociedad y la incorporación de todos sus derechos y obligaciones a la Sociedad. Las magnitudes incorporadas a la Sociedad por la mencionada operación no son relevantes para el conjunto de la Sociedad.

6. Inmovilizado intangible.

El movimiento del ejercicio 2016 del epígrafe inmovilizado intangible es el siguiente:

	Miles de euros		
	Combinación de negocios (Nota 5)	Adiciones/ Dotaciones	Saldo Final
Coste:			
Aplicaciones Informáticas	37	-	37
Concesiones	80.055	-	80.055
Amortización Acumulada:			
Aplicaciones Informáticas	-	(3)	(3)
Concesiones		(350)	(350)
Total Inmovilizado intangible	80.092	(353)	79.739

Durante el ejercicio 2016, y tras la combinación de negocios descrita en la Nota 5, la Sociedad ha registrado a valor razonable el inmovilizado intangible procedente de la misma, el cual corresponde principalmente al 50% de la concesión administrativa del complejo de viviendas denominado "Bentaberri" situada en San Sebastián (Guipúzcoa). Este complejo de viviendas se explota bajo régimen de concesión administrativa concedida por el Gobierno Vasco por una duración total de 75 años con vencimiento en 2069.

Tal y como se indica en la Nota 5, el valor razonable a la fecha de la combinación de negocios ha sido determinado por expertos independientes, no vinculados a la Sociedad.

Todo el inmovilizado intangible de la Sociedad se encuentra afecto a actividades empresariales propias de su actividad y está situado dentro del territorio nacional. Las concesiones de la Sociedad se corresponden con inmuebles destinados a su explotación en régimen de alquiler para uso de vivienda exclusivamente.

Al 31 de diciembre 2016 la Sociedad explotaba en este epígrafe 17.345 metros cuadrados de superficie bruta alquilable con un grado de ocupación del 99%.

La Sociedad no tiene inmovilizado intangible completamente amortizado al cierre del ejercicio 2016.

A 31 de diciembre de 2016 la Sociedad, tiene bajo garantía hipotecaria el complejo de viviendas, en garantía de un préstamo de importe de 25.144 miles de euros (véase Nota 15).

La Sociedad tiene adecuadamente asegurado este inmovilizado.

Deterioro de valor

La determinación del valor razonable del proyecto concesional ha sido realizado por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC). La metodología utilizada para determinar el valor razonable del activo se detalla en la Nota 7.

El valor recuperable del proyecto concesional de la Sociedad al 31 de diciembre de 2016 calculado en función de las valoraciones realizadas por Savills Consultores Inmobiliarios, S.A, no vinculados a la Sociedad, asciende a 81.410 miles de euros. De acuerdo con esta valoración del experto independiente, no hay activos cuyo valor recuperable sea inferior al valor neto en libros.

Ingresos y gastos relacionados

El ingreso del ejercicio 2016 derivado de renta proveniente de las concesiones de la Sociedad ascendieron a 546 miles de euros y los gastos de explotación por todos los conceptos relacionados con las mismas ascendieron a 130 miles de euros.

7. Inversiones inmobiliarias

La composición y el movimiento de este epígrafe durante el ejercicio 2016 se muestran a continuación:

	Miles de euros			
	Combinación de negocios (Nota 5)	Adiciones/ Dotaciones	Retiros	Saldo Final
Coste: Inmuebles para arrendamiento	892.875	-	(4.524)	888.351
Amortización Acumulada: Inmuebles para arrendamiento	-	(2.651)	711	(1.940)
Inversiones inmobiliarias	892.875	(2.651)	(3.813)	886.411

Inmuebles para arrendamiento

Dentro del epígrafe "Inversiones para arrendamiento" la Sociedad incluye los activos inmobiliarios residenciales por importe de 892.875 miles de euros, los cuales se han registrado conforme a lo indicado en la Nota 5. En este sentido, los activos corresponden principalmente a viviendas situados en Madrid, País Vasco, Cataluña, Baleares, Navarra, Comunidad Valenciana, Castilla León y Castilla La Mancha.

Tal y como se indica en la Nota 5, la incorporación al balance se ha realizado por el valor razonable a la fecha de la combinación de negocios, determinado por expertos independientes no vinculados a la Sociedad.

Por otra parte, durante el ejercicio 2016, la Sociedad ha vendido diversas viviendas situadas en la Comunidad de Madrid y Cataluña por un importe total de 4.667 miles de euros. El resultado generado por esta operación ha ascendido a un beneficio de 163 miles de euros que se encuentra registrado en el epígrafe de "Deterioro y resultados por enajenaciones de inmovilizado" de la cuenta de pérdidas y ganancias del ejercicio 2016 adjunta.

Del total del coste registrado en este epígrafe durante el ejercicio 2016, un importe de 451.565 miles de euros corresponde al valor de los terrenos.

Es política de la Sociedad contratar todas las pólizas de seguros que se estimen necesarias para dar cobertura a los riesgos que pudieran afectar a las inversiones inmobiliarias. Al 31 de diciembre de 2016, los Administradores de la Sociedad estiman que no existe déficit de cobertura alguno relacionado con dichos riesgos.

La Sociedad al 31 de diciembre del 2016, no mantiene compromisos de compra en firme de inversiones inmobiliarias. En el ejercicio 2016 no se han capitalizado gastos financieros en los costes de construcción ni como consecuencia de mejoras o rehabilitación de los inmuebles.

Al 31 de diciembre de 2016 la Sociedad no mantiene elementos de las inversiones inmobiliarias totalmente amortizados.

Al 31 de diciembre 2016 la Sociedad explotaba en este epígrafe 404.190 metros cuadrados de superficie bruta alquilable, con un grado de ocupación del 91%.

Deterioro de valor

La determinación del valor razonable de los activos inmobiliarios ha sido realizada por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC).

Los expertos valoradores han aplicado con carácter general el método de "Descuento de Flujos de Caja" para los activos de patrimonio en renta. Esta metodología consiste en la estimación de ingresos netos futuros de cada propiedad en base a la información histórica disponible y a los estudios de mercado que se realizan. Dichas proyecciones se actualizan a fecha de valoración, mediante una tasa interna de retorno o coste de oportunidad de realizar esta inversión teniendo en cuenta el riesgo del mercado y el riesgo intrínseco a la empresa. Una vez finalizado el periodo de proyección (entre 7 y 10 años), se asume la venta del activo en condiciones de mercado, de modo que se obtiene un valor residual, capitalizando a perpetuidad la renta neta normalizada obtenida por el activo en el último periodo. Este valor residual se capitaliza a una tasa de salida (Exit Yield) que refleja las previsiones de inversión para el mercado en el futuro.

El valor recuperable de las inversiones inmobiliarias de la Sociedad al 31 de diciembre de 2016 calculado en función de las valoraciones realizadas por Savills Consultores Inmobiliarios, S.A., sociedad valoradora no vinculada a la Sociedad, asciende a 912.304 miles de euros. De acuerdo con esta valoración del experto independiente, no hay activos cuyo valor recuperable sea inferior al valor neto en libros.

Ingresos y gastos relacionados

En el ejercicio 2016 los ingresos derivados de rentas provenientes de las inversiones inmobiliarias propiedad de la Sociedad ascendieron a 7.914 miles de euros y los gastos de explotación por los conceptos relaciones con las mismas ascendieron a 2.199 miles de euros.

8. Acuerdos de concesión, derechos de cobro

La composición y el movimiento de este epígrafe durante el ejercicio 2016 se muestran a continuación:

	Miles de euros			
	Combinación de negocios (Nota 5)	Actualización	Cobros	Saldo Final
Coste:				
Acuerdos de concesión, derechos de cobros	4.151	(211)	(353)	3.587
Acuerdos de concesión, derechos de cobro	4.151	(211)	(353)	3.587

En este epígrafe se incluye los acuerdos de concesión de los complejos de viviendas denominados "Campo de tiro" en Leganés y "Usera", ambos en Madrid.

Tal y como se indica en la Nota 5, el valor razonable de los mencionados acuerdos concesionales a la fecha de la combinación de negocios ha sido determinado por expertos independientes, no vinculados a la Sociedad.

La Sociedad ha calificado la contraprestación recibida de los mencionados acuerdos de concesión como activo financiero, dado que la contraprestación recibida consiste en un derecho incondicional a recibir efectivo, que permite la recuperación de la inversión realizada, obteniendo un margen razonable. Por tanto la Sociedad no asume el riesgo de demanda en el acuerdo de concesión.

Las principales características de estos acuerdos de concesión son las siguientes:

- **Campo de Tiro (Leganés)**

Con fecha 20 de abril de 1998 mediante escritura pública, el Instituto de la Vivienda de Madrid (IVIMA) concede a la Sociedad un derecho de superficie oneroso de duración 20 años, desde su inscripción en el registro (22 mayo de 1998), sobre una parcela situada en el término municipal de Leganés (Madrid). Dicho derecho de superficie consiste en la construcción, dentro de los 3 primeros años de la concesión, de 80 viviendas de protección oficial en régimen especial de arrendamiento y 103 plazas de parking asociadas a las mismas así como su posterior arrendamiento al IVIMA para que éste efectúe su explotación como viviendas de protección oficial en arrendamiento con los requisitos que establece el pliego de condiciones de adjudicación.

Con fecha 28 de diciembre de 2000, en cumplimiento de lo establecido en el pliego de condiciones y en la escritura de adjudicación del derecho de superficie, se firma con el IVIMA un contrato de arrendamiento que terminará el 22 de mayo de 2018, fecha en la cual finaliza la concesión del derecho de superficie y revierte el inmueble al IVIMA sin pago de indemnización y no existiendo opción de renovación ni de rescisión. En el contrato de arrendamiento se establece una renta, de 36 miles de euros al mes, como precio de adjudicación del derecho de superficie, renta que es actualizada anualmente por el IPC correspondiente.

- **Usera (Madrid)**

Con fecha 8 de marzo de 2000 mediante escritura pública, el Instituto de la Vivienda de Madrid (IVIMA) concede a la Sociedad un derecho de superficie oneroso de duración 20 años, desde su inscripción en el registro (1 junio de 2000), sobre una parcela situada en el término municipal de Madrid en su distrito de Usera. Dicho derecho de superficie consiste en la construcción, dentro de los 3 primeros años de la concesión, de 148 viviendas de protección oficial en arrendamiento y 148 plazas de parking asociadas a las mismas así como su posterior arrendamiento al propio IVIMA para que éste efectúe su explotación con los requisitos que establece el pliego de condiciones de adjudicación.

Con fecha 8 de julio de 2003, en cumplimiento de lo establecido en el pliego de condiciones y en la escritura de adjudicación del derecho de superficie, se firma con el IVIMA un contrato de arrendamiento con vigencia hasta el 31 de mayo de 2020, fecha en la cual finaliza la concesión del derecho de superficie y revertirá el inmueble al IVIMA sin pago de indemnización, no existiendo opción de renovación ni de rescisión. En el contrato de arrendamiento se establece una renta, 59 miles de euros al mes, como precio de adjudicación del derecho de superficie, renta que será actualizada anualmente por el IPC correspondiente.

La característica común en ambos contratos es que todos los gastos y cargas que graven la propiedad del inmueble serán a cargo del arrendador (la Sociedad), excepto el Impuesto sobre Bienes Inmuebles que será asumido por el arrendatario.

A su vez también será a cargo del arrendador las obras de reparación, conservación y mantenimiento de los inmuebles, sus instalaciones y servicios, obligándose a presentar al IVIMA un informe anual de las actuaciones realizadas y llevadas a cabo las referidas obras a requerimiento de éste.

Durante el ejercicio 2016 no se han efectuado actuaciones significativas en ninguno de los inmuebles que sean dignas de ser mencionadas en esta memoria, así como tampoco se tiene previsto ninguna actuación significativa en el futuro.

Las magnitudes relevantes recogidas en el Plan Económico Financiero de los acuerdos concesionales son la renta de alquiler, los gastos, el Índice de Precios al Consumo estimado y la rentabilidad de mercado para cada uno de los proyectos.

Durante los ejercicios 2016 los acuerdos concesionales no han sufrido modificaciones contractuales.

La determinación del valor razonable de los acuerdos concesionales ha sido realizada por expertos independientes de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña, y de acuerdo con los Estándares Internacionales de Valoración (IVS) publicados por el Comité Internacional de Estándares de Valoración (IVSC). La metodología utilizada para determinar el valor razonable del activo se detalla en la Nota 7.

El valor recuperable de los acuerdos concesionales de la Sociedad al 31 de diciembre de 2016 calculado en función de las valoraciones realizadas por Savills Consultores Inmobiliarios, S.A, no vinculados a la Sociedad.

Al 31 de diciembre de 2016 la Sociedad matriz, Testa Inmuebles en Renta SOCIMI, S.A., tiene bajo garantía hipotecaria el complejo de viviendas propiedad de la Sociedad situado en Leganés y conocido como "Campo de Tiro" en garantía de un préstamo dispuesto de importe de 22.016 miles de euros (Nota 15)

9. Arrendamientos

a) Arrendamientos operativos como arrendatario

Al cierre del ejercicio 2016 la Sociedad tiene contratadas con los arrendadores las siguientes cuotas de arrendamiento mínimas, de acuerdo con los actuales contratos en vigor, sin tener en cuenta repercusión de gastos comunes, incrementos futuros por IPC, ni actualizaciones futuras de rentas pactadas contractualmente (en miles de euros):

Arrendamientos operativos Cuotas mínimas	Miles de euros
Menos de un año	132
Entre uno y cinco años	254
Total	386

El principal gasto por arrendamiento operativo del ejercicio 2016 corresponde al contrato de alquiler que la Sociedad tiene suscrito por el arrendamiento de sus oficinas en la calle Rodríguez Ventura 7, Madrid, lugar de su domicilio social.

Con fecha 1 de febrero de 2017, la Sociedad ha suscrito un nuevo contrato para el arrendamiento de sus nuevas oficinas en Paseo de la Castellana 257, Madrid, con una duración de 3 años. La renta anual a abonar por la Sociedad asciende a 155 miles de euros.

Adicionalmente, la Sociedad tiene formalizados diversos contratos de arrendamiento operativo de elementos necesarios para su actividad (elementos de transporte, fotocopiadoras...), prorrogables tácitamente por periodos anuales.

El gasto total devengado por arrendamientos durante el ejercicio 2016 asciende a 28 miles de euros y se encuentra registrado en el epígrafe de "Otros gastos de explotación" de la cuenta de pérdidas y ganancias adjunta (véase Nota 20.3).

b) Arrendamientos operativos como arrendador

Al cierre del ejercicio 2016 la Sociedad tiene contratado con los arrendatarios las siguientes cuotas de arrendamiento mínimas, de acuerdo con los actuales contratos en vigor, sin tener en cuenta la repercusión de gastos comunes, incrementos futuros por IPC, ni actualizaciones futuras de rentas pactadas contractualmente:

Cuotas mínimas	Miles de euros
Menos de un año	8.943
Entre uno y cinco años	27.643
Más de cinco años	11.454
Total	48.040

El importe de las cuotas de arrendamiento y subarrendamiento operativo, así como la repercusión de gastos comunes reconocidas respectivamente como ingreso en el ejercicio 2016 es el siguiente:

	Miles de Euros
Rentas devengadas por arrendamiento	8.460
Repercusión gastos comunes	447
Total	8.907

La repercusión de gastos a los arrendatarios se presentan del ejercicio 2016 en la cuentas pérdidas y ganancias disminuyendo el saldo de "otros gastos de explotación".

10. Inversiones en empresas del grupo y asociadas a largo plazo

La composición y el movimiento del saldo del epígrafe "Instrumentos de patrimonio" al cierre de los ejercicios 2016 es el siguiente:

	Miles de euros	
	Adiciones por Combinación de Negocios (Nota 5)	Saldo Final
Empresas del Grupo:		
Metrovacesa Alquileres Urbanos, S.A.	132.137	132.137
Total valor neto de la participación	132.137	132.137

En cumplimiento del artículo 155 de la Ley de Sociedades de Capital, la Sociedad ha comunicado las participaciones que exceden del 10% en las sociedades descritas en el cuadro anterior.

Como resultado de la combinación de negocios realizada descrita en la Nota 5, se ha incorporado la participación de Metrovacesa Alquileres Urbanos, S.A., la cual se ha valorado a su valor razonable a la fecha de la combinación.

La información más significativa relacionada con las empresas del Grupo, multigrupo y asociadas al cierre de los ejercicios 2016 es la siguiente:

1. Participación:

Compañía	% Participación Nominal		Actividad	Domicilio Social
	Directa	Efectiva		
Metrovacesa Alquileres Urbanos S.A. (a)	100%	100%	Adquisición, promoción, construcción, tenencia, explotación, arrendamiento y enajenación de viviendas y edificaciones	Calle Quintanavides 13, Las Tablas, Madrid

(a) Auditada por Deloitte

2. Situación patrimonial:

Compañía	Miles de Euros				
	Capital	Resultado		Resto de Patrimonio	Total Patrimonio
		Explotación	Neto		
Metrovacesa Alquileres Urbanos S.A. (a)	55.086	1.457	1.454	6.534	63.074
Total	55.086	1.457	1.454	6.534	63.074

En el ejercicio 2016, Metrovacesa Alquileres Urbanos S.A., no ha registrado deterioro alguno.

Para determinar que no existe deterioro de valor de la participación en empresas del Grupo y asociadas, se ha considerado como mejor evidencia del importe recuperable la parte proporcional del patrimonio neto de la sociedad participada, corregido por las plusvalías tacitas a la fecha de valoración. En este sentido, la sociedad participada es propietaria del 50% de un derecho de concesión en San Sebastián, cuyo valor razonable al 31 de diciembre de 2016 asciende a 81.410 miles de euros, siendo su valor en libros de 10.311 miles de euros.

11. Otros activos financieros a largo plazo

Dentro de este epígrafe del balance se incluyen las fianzas constituidas por los arrendatarios en concepto de garantía cuyo saldo al 31 de diciembre de 2016 asciende a 3.665 miles de euros, así como fianzas y depósitos de sus proveedores por importe de 35 miles de euros a dicha fecha.

12. Deudores comerciales y otras cuentas por cobrar

Al 31 de diciembre de 2016 el epígrafe "Deudores comerciales y otras cuentas por cobrar" incluye los siguientes conceptos:

	Miles de euros
Cientes por ventas y prestación de servicios	1.704
Empresas del Grupo y asociadas (Nota 21.2)	11
Deudores varios	724
	2.439

Con carácter general, estas cuentas a cobrar no devengan tipo de interés alguno y su condición de cobro principal es contado.

La Sociedad analiza de forma periódica el riesgo de insolvencia de sus cuentas por cobrar actualizando la provisión por deterioro correspondiente. Los Administradores de la Sociedad consideran que el importe de las cuentas de deudores comerciales y otras cuentas a cobrar se aproxima a su valor razonable.

El movimiento de la provisión por deterioro e incobrabilidad en el ejercicio 2016 ha sido el siguiente:

	Miles de euros
Saldo inicial	(744)
Dotaciones	(66)
Saldo al 31 de diciembre de 2016	(810)

El reconocimiento y la reversión de las correcciones valorativas por deterioro de las cuentas a cobrar a clientes se han incluido dentro de "Pérdidas, deterioro y variación de provisiones por operaciones comerciales" en la cuenta de pérdidas y ganancias del ejercicio 2016 adjunta.

La antigüedad de las cuentas por cobrar deterioradas es, en su mayor parte, superior a 18 meses.

13. Efectivo y otros activos líquidos equivalentes

El epígrafe "Efectivo y otros activos líquidos equivalentes" incluye la tesorería de la Sociedad y depósitos bancarios a corto plazo con un vencimiento inicial de tres meses o un plazo inferior. El importe en libros de estos activos se aproxima a su valor razonable.

Las cuentas corrientes devengan el tipo de interés de mercado para este tipo de cuentas.

14. Patrimonio neto y fondos propios

14.1 Capital social y prima de emisión

La composición y el movimiento del patrimonio neto se presentan en el estado de cambios en el patrimonio neto.

Capital social

Al 31 de diciembre de 2015 el capital social de la Sociedad estaba representado por 102.696.108 participaciones de 1 euro de valor nominal cada una, todas ellas de la misma clase, totalmente suscritas y desembolsadas.

Con fecha 21 de junio de 2016 los Consejos de Administración de Merlin Properties SOCIMI, S.A. y Testa Inmuebles en Renta SOCIMI, S.A. (Socio Único de la Sociedad a dicha fecha) aprobaron el proyecto de fusión por absorción que implicó la integración de Testa Inmuebles en Renta SOCIMI, S.A. en Merlin Properties SOCIMI, S.A., mediante la transmisión en bloque del patrimonio de la primera en beneficio de la segunda. Con fecha 6 de septiembre de 2016 la Junta General de Accionistas de Testa Inmuebles en Renta, SOCIMI, S.A. aprobó la fusión, habiéndose inscrito en el Registro Mercantil el 14 de octubre de 2016.

Dicha operación dio lugar a que Testa Inmuebles en Renta, SOCIMI, S.A. cuya participación directa en la Sociedad ascendía al 100%, dejase de ser el Socio Único de la misma, pasando a ser Merlin Properties, SOCIMI, S.A.

Con fecha 24 de junio de 2016 el Socio Único aprobó la transformación de la Sociedad en Sociedad Anónima, la redenominación de las acciones, pasando de 102.696.108 de 1 euro de valor nominal por acción a 10.269.610.800 acciones de 0,01 euros de valor nominal por acción, realizó ampliación de capital por aportación no dineraria de inmuebles, emitiendo 2.238.551.888 nuevas acciones de 0,01 euros de valor nominal y finalmente una reducción de capital mediante la amortización de 10.906.847.110 acciones. Como resultado, el capital social de la Sociedad quedó compuesto por 1.601.315.578 acciones valoradas a 0,01 euros por acción.

Tal y como se menciona en la Nota 5, con fecha 15 de septiembre de 2016, las Juntas Generales de Accionistas de la Sociedad y de Metrovacesa, S.A. aprobaron una ampliación de capital social mediante la emisión de 3.075.278.154 acciones de 0,01 euros de valor nominal cada una de ellas, con una prima de emisión de 13,3656923984379 céntimos por acción emitida. Esta ampliación fue suscrita íntegramente por los accionistas de Metrovacesa, S.A. Como resultado de esta transacción, los accionistas de Metrovacesa, S.A. adquirieron el 65,67% del capital social de la Sociedad.

Tras las operaciones descritas anteriormente, al 31 de diciembre de 2016 el capital social de Testa Residencial, SOCIMI, S.A asciende a 46.765.937,32 euros y está representado por 4.676.593.732 acciones ordinarias, de 0,01 euro de valor nominal cada una de ellas, todas de la misma clase, totalmente suscritas y desembolsadas, otorgando a sus titulares los mismos derechos.

Por otro lado, tal y como se explica en la Nota 5, la aportación del negocio residencial de Metrovacesa, S.A. y la ampliación de capital realizada en contrapartida el 15 de septiembre de 2016 ha sido contabilizada como una adquisición inversa, de tal manera que si bien es el negocio residencial de Metrovacesa, S.A. el adquirente, es el capital social de Testa Residencial SOCIMI, S.A. el que figura en el patrimonio neto de la Sociedad al ser la entidad legal que subsiste.

Los principales accionistas titulares de participaciones significativas en el capital social de Testa Residencial SOCIMI, S.A. tanto directas como indirectas, al 31 de diciembre de 2016, son los siguientes:

	Acciones			% del Capital
	Directas	Indirectas	Total	
Banco Santander, S.A.	1.614.458.396	546.399.222	2.160.857.618	46,21%
Merlin Properties SOCIMI S.A.	1.601.315.578	-	1.601.315.578	34,24%
Banco Bilbao Vizcaya, S.A.	488.962.085	142.114.953	631.077.038	13,49%
Banco Popular S.A.	281.078.284	-	281.078.284	6,01%

Prima de emisión

El texto Refundido de la Ley de Sociedades de Capital, permite expresamente la utilización del saldo de la prima de emisión para ampliar capital y no establece restricción específica alguna en cuanto a la disponibilidad de dicho saldo.

Esta reserva es de libre disposición siempre y cuando como consecuencia de su distribución no se sitúen los fondos propios de la Sociedad por debajo de la cifra del capital social.

14.2 Reservas

Reserva legal

La reserva legal se dotará de conformidad con el artículo 274 del Texto Refundido de la Ley de Sociedades de Capital, que establece que, en todo caso, una cifra igual al 10 % del beneficio del ejercicio se destinará a ésta hasta que alcance, al menos, el 20 % del capital social.

No puede ser distribuida y si es usada para compensar pérdidas, en el caso de que no existan otras reservas disponibles suficientes para tal fin, debe ser repuesta con beneficios futuros.

Al 31 de diciembre de 2016, la Sociedad no tiene dotada esta reserva con el límite mínimo que establece el Texto Refundido de la Ley de Sociedades de Capital.

De acuerdo con la Ley 11/2009, por la que se regulan las sociedades anónimas cotizadas de inversión en el mercado inmobiliario (SOCIMI), la reserva legal de las sociedades que hayan optado por la aplicación del régimen fiscal especial establecido en esta ley no podrán 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.

15. Pasivos financieros corrientes y no corrientes

Al 31 de diciembre de 2016 el detalle de pasivos corrientes y no corrientes es el siguiente:

	Miles de euros
No corriente:	
<i>Valorados a coste amortizado</i>	
Préstamo sindicado	250.000
Gastos de formalización del préstamo sindicado	(287)
Total préstamo sindicado	249.713
Préstamos hipotecarios	98.462
Gastos de formalización	(264)
Total otros préstamos	98.198
Total coste amortizado	347.911
<i>Valorados a valor razonable</i>	
Instrumentos financieros derivados	940
Total a valor razonable	940
Total no corriente	348.851
Corriente:	
<i>Valorados a coste amortizado</i>	
Préstamos hipotecarios	11.997
Intereses de deudas	638
Total coste amortizado	12.635
Total corriente	12.635

Para los pasivos financieros valorados a coste amortizado, no existe diferencia significativa entre su valor contable y su valor razonable.

Préstamos

El detalle de préstamos al 31 de diciembre de 2016 es el siguiente:

	Miles de euros				
	Deudas con entidades de crédito				
	Límite	Gastos formalización de deudas	31.12.2016		Intereses a corto plazo
			Largo plazo	Corto plazo	
Préstamo sindicado	250.000	(287)	250.000	-	590
Préstamos hipotecarios	110.459	(264)	98.462	11.997	48
Total	360.459	(551)	348.462	11.997	638

Determinada financiación incluye compromisos de mantenimiento de determinados ratios de cobertura, estándares en este tipo de compañías inmobiliarias, tales como la proporción existente entre valor de los activos sobre la deuda pendiente ("Loan to Value"), la proporción existente entre los ingresos de la Sociedad y el servicio de la

deuda ("ICR"). En este sentido los Administradores de la Sociedad han evaluado que dicho ratio se cumple a 31 de diciembre de 2016 y no prevén que se incumpla en los próximos ejercicios.

Préstamo sindicado

Con fecha 17 de octubre de 2016 la Sociedad suscribió un préstamo sindicado con entidades financieras, por un importe total de 250 millones de euros, con vencimiento previsto en octubre de 2018 y un coste inicial de Euribor +125 puntos básicos. Esta financiación fue destinada a la cancelación de parte del préstamo sindicado de Metrovacesa como consecuencia del proyecto de escisión de la misma (véase Nota 5).

Esta financiación bancaria tiene unos compromisos de obligaciones de información respecto a los estados financieros de la Sociedad, así como a los presupuestos. Por otro lado, semestralmente, a partir del 30 de junio de 2017 la Sociedad deberá cumplir con determinados compromisos de ratios de cobertura.

Préstamos hipotecarios

Al 31 de diciembre de 2016 la Sociedad tenía contratados los siguientes préstamos hipotecarios:

Entidad financiera	Miles de euros				Garantía Hipotecaria
	Préstamo Original	Largo Plazo	Corto Plazo	Intereses	
Banco Santander S.A.	22.016	21.016	1.000	32	Inmuebles de Osuna, Campo de Tiro y Benquerencia-Toledo
ING Direct, NV.	53.200	53.200	-	8	Inmuebles de Pavones, Valdebernardo, Alcorcón, Plaza De Castilla
Bankia	10.099	-	10.099	6	Inmuebles Móstoles
Bilbao Bizkaia Kutxa	25.144	24.246	898	2	Inmuebles Bentaberri
Total	110.459	98.462	11.997	48	

Los intereses devengados y no pagados correspondientes de los préstamos hipotecarios al cierre de los ejercicios 2016 ascienden a 48 miles de euros, siendo el tipo de interés medio de estos préstamos hipotecarios en el ejercicio 2016 de 1,29%.

Vencimientos de la deuda

El detalle por vencimientos de la deuda de la Sociedad es el siguiente:

	Miles de euros		
	Préstamo Sindicado	Préstamos hipotecarios	Total
2017	-	11.997	11.997
2018	250.000	1.898	251.898
2019	-	1.898	1.898
2020	-	1.898	1.898
2021	-	1.898	1.898
Más de 5 años	-	90.870	90.870
	250.000	110.459	360.459

Los saldos de las deudas con entidades de crédito reflejan solo la parte dispuesta. La Sociedad al cierre del ejercicio 2016 tiene todo dispuesto.

La Sociedad no tiene endeudamiento al 31 de diciembre de 2016 consignado en moneda distinta al euro.

El gasto financiero del ejercicio 2016 por intereses correspondiente al préstamo sindicado y a los préstamos hipotecarios ha ascendido a 1.110 miles de euros y se encuentra incluido en la cuenta de pérdidas y ganancias del ejercicio 2016 adjunta.

Al 31 de diciembre de 2016 los gastos de formalización de deuda se presentan minorando el saldo de "Deudas con entidades de crédito". Durante el ejercicio 2016, la Sociedad ha imputado 26 miles de euros, respectivamente en el epígrafe "Gastos financieros" de la cuenta de pérdidas y ganancias del ejercicio 2016 adjunta asociados a la deuda.

Durante los ejercicios 2016 no se han incumplido las condiciones contractuales de pago de los préstamos pendientes ni ninguna otra condición contractual.

16. Otros pasivos no corrientes

El detalle de estos epígrafes al 31 de diciembre de 2016 es el siguiente:

	Miles de euros
Provisiones	1.410
Fianzas y depósitos recibidos	7.115
Total	8.525

En el epígrafe "Fianzas y depósitos recibidos" se recogen, fundamentalmente, los importes entregados por los arrendatarios en concepto de garantía y que serán devueltos a la finalización de los contratos.

17. Acreedores comerciales y otras cuentas a pagar

El detalle de acreedores comerciales y otras cuentas a pagar es como sigue:

	Miles de euros
Acreedores comerciales y otras cuentas a pagar:	
Proveedores	1.566
Proveedores, empresas del grupo y asociadas (Nota 21.2)	2.745
Acreedores varios	624
Personal (remuneraciones pendientes de pago)	1.008
Pasivos por impuesto corriente (véase Nota 18.1)	7
Otras deudas con las Administraciones Públicas (véase Nota 18)	313
Total	6.263

Los Administradores consideran que el importe en libros de los acreedores comerciales se aproxima a su valor razonable.

Información sobre el periodo medio de pago a proveedores. Disposición final segunda de la Ley 31/2014, de 3 de diciembre

A continuación se detalla la información requerida por la Disposición adicional tercera de la Ley 15/2010, de 5 de julio (modificada a través de la Disposición final segunda de la Ley 31/2014, de 3 de diciembre) preparada conforme a la Resolución del ICAC de 29 de enero de 2016, sobre la información a incorporar en la memoria de las cuentas anuales en relación con el periodo medio de pago a proveedores en operaciones comerciales.

	Días
Periodo medio de pago a proveedores	17
Ratio de operaciones pagadas	16
Ratio de operaciones pendientes de pago	22
	Miles de euros
Total pagos realizados	1.449
Total pagos pendientes	4.773

Los datos expuestos en el cuadro anterior sobre pagos a proveedores hacen referencia a aquellos que por su naturaleza son acreedores comerciales por deudas con suministradores de bienes y servicios, de modo que incluyen los datos relativos a las partidas "Acreedores comerciales y otras cuentas a pagar" del pasivo corriente del balance de situación adjunto.

Se entenderá por "Periodo medio de pago a proveedores" la expresión del tiempo de pago o retraso en el pago de la deuda comercial. Dicho "Periodo medio de pago a proveedores" se calcula como el cociente formado en el numerador por el sumatorio del ratio de operaciones pagadas por el importe total de los pagos realizados más el ratio de operaciones pendientes de pago por el importe total de pagos pendientes y, en el denominador, por el importe total de pagos realizados y los pagos pendientes.

El ratio de operaciones pagadas se calcula como el cociente formado en el numerador por el sumatorio de los productos correspondientes a los importes pagados, por el número de días de pago (diferencia entre los días naturales transcurridos desde el final del plazo máximo legal de pago hasta el pago material de operación) y, en el denominador, el importe total de pagos realizados.

Asimismo, el ratio de operaciones pendientes de pago corresponde al cociente formulado en el numerador por el sumatorio de los productos correspondientes a los importes pendientes de pago, por el número de días pendiente de pago (diferencia entre los días naturales transcurridos desde el final del plazo máximo legal de pago hasta el día de cierre de las cuentas anuales) y, en el denominador, el importe total de pagos pendientes.

El plazo máximo legal de pago aplicable a la Sociedad en el ejercicio 2016 según la Ley 3/2004, de 29 de diciembre, por la que se establecen medidas de lucha contra la morosidad en las operaciones comerciales y conforme a las disposiciones transitorias establecidas en la Ley 15/2010, de 5 de julio, es de 60 días hasta la publicación de la Ley 11/2013 de 26 de julio y de 30 días a partir de la publicación de la mencionada Ley y hasta la actualidad (a menos que se cumplan las condiciones establecidas en la misma, que permitirían elevar dicho plazo máximo de pago hasta los 60 días).

18. Administraciones Públicas y situación fiscal

La composición del epígrafe de saldos relacionados con la Hacienda Pública al 31 de diciembre de 2016 es la siguiente:

	Miles de euros
Saldos deudores:	
No corriente-	
Activos por impuesto diferido	266
	266
Saldos acreedores:	
No corriente-	
Pasivos por impuesto diferido	60.649
Corriente-	
Hacienda Pública acreedora por IVA	187
Hacienda Pública acreedora por IRPF	65
Organismos de la Seguridad Social, acreedores	61
Pasivos por impuesto corriente	7
	60.969

18.1 Conciliación resultado contable y base imponible fiscal

Al 31 de diciembre de 2016 la base imponible fiscal ha sido calculada partiendo del resultado contable del ejercicio. La conciliación entre el resultado contable, la base imponible de Impuesto sobre Sociedades y la cuenta por cobrar o pagar existente por este concepto al 31 de diciembre de 2016 es la siguiente (en miles de euros):

	Miles de euros
Resultado contable antes de impuestos	(1.619)
Base Imponible régimen tipo general	540
Base Imponible contable SOCIMI	(2.159)
Cuota régimen SOCIMI (0%)	-
Cuota régimen general (25%)	135
Retenciones y pagos a cuenta	(128)
Hacienda Pública acreedora Impuesto sobre Sociedades	7

18.2 Conciliación del resultado del gasto por impuesto

	Miles de euros
Pérdida contable antes de impuestos	(1.619)
Resultado contable régimen general	540
Resultado contable régimen SOCIMI	(2.159)
Cuota Líquida en régimen General (25%)	138
Cuota Líquida en régimen SOCIMI (0%)	-
Ajuste por venta de activos (reversión pasivo por ID)	(3)
Gastos por impuesto sobre sociedades	(135)
Impuesto Corriente	138
Impuesto Diferido	(3)

18.3 Pasivos por impuesto diferido

Tal y como se ha indicado en la Nota 5, los pasivos por impuesto diferido surgen, principalmente, de la combinación de negocio realizada en el ejercicio y son originadas por las diferencias existentes entre los valores contables y los valores fiscales de los activos recibidos en las citadas transacciones.

El movimiento de los pasivos por impuesto diferido al 31 de diciembre de 2016 es el siguiente:

	Miles de euros
Saldo inicial combinación de negocios (Nota 5)	60.652
Bajas por venta de activos (Nota 18.2)	(3)
Total pasivo por impuesto diferido 31 de diciembre 2016	60.649

18.4 Ejercicios pendientes de comprobación y actuaciones inspectoras

Según establece la legislación vigente, los impuestos no pueden considerarse definitivamente liquidados hasta que las declaraciones presentadas hayan sido inspeccionadas por las autoridades fiscales o haya transcurrido el plazo de prescripción de cuatro años.

Al cierre del ejercicio 2016, la Sociedad tiene abiertos a inspección los ejercicios 2012 y siguientes del Impuesto sobre Sociedades y del ejercicio 2013 y siguiente para los demás impuestos que le son de aplicación. Los Administradores de la Sociedad consideran que se han practicado adecuadamente las liquidaciones de los mencionados impuestos, por lo que, aún en caso de que surgieran discrepancias en la interpretación normativa vigente por el tratamiento fiscal otorgado a las operaciones, los eventuales pasivos resultantes, en caso de materializarse, no afectarían de manera significativa a las cuentas anuales adjuntas.

Adicionalmente, en la Ley 34/2015, de 21 de septiembre, de modificación parcial de la Ley 58/2003, de 17 de diciembre, General Tributaria se establece que el derecho de la Administración para iniciar el procedimiento de comprobación de las bases o cuotas compensadas o pendientes de compensación o de deducciones aplicadas o pendientes de aplicación, prescribirá a los diez años a contar desde el día siguiente a aquel en que finalice el plazo reglamentario establecido para presentar la declaración o autoliquidación correspondiente al ejercicio o período impositivo en que se generó el derecho a compensar dichas bases o cuotas o a aplicar dichas deducciones.

19. Exigencias informativas derivadas de la condición de SOCIMI, Ley 11/2009, modificada con la Ley 16/2012

- a) El importe de las Reservas procedentes de ejercicios anteriores a la aplicación del régimen fiscal establecido en la Ley 11/2009, modificado por la Ley 16/2012, de 27 de diciembre, asciende a 31 de diciembre de 2016 a 193.006 miles de euros siendo el importe de la prima de emisión a la misma fecha 411.032 miles de euros.
- b) No existen reservas procedentes de ejercicios en los que se haya aplicado el régimen fiscal establecido en esta Ley 11/2009, modificado por la Ley 16/2012, de 27 de diciembre por lo que todas las reservas han tributado al tipo general de gravamen.
- c) No han sido distribuidos dividendos con cargo a beneficios ni con cargo a reservas en que ha resultado aplicable el régimen fiscal establecido en Ley 11/2009, modificado por la Ley 16/2012.
- d) La fecha de adquisición de los inmuebles destinados al arrendamiento y de las participaciones en el capital de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley figuran incluidas en el anexo I de las presentes cuentas anuales
- e) Todos los activo que mantiene la sociedad dentro de los epígrafes correspondientes computan dentro del 80 por ciento a que se refiere el apartado 1 del artículo 3 de Ley 11/2009, modificado por la Ley 16/2012.

20. Ingresos y gastos

20.1 Ingresos ordinarios

La distribución del importe neto de la cifra de negocios es la siguiente:

	Miles de euros
Ingresos por arrendamiento	8.460
Ingresos por prestación de servicios	551
Total importe neto de la cifra de negocios	9.011

La distribución de los ingresos por arrendamiento correspondiente al ejercicio 2016, distribuida por tipología de activo y por mercados geográficos, es la siguiente:

Comunidades Autónomas	Miles de euros	%
Madrid	5.693	67,3
Cataluña	443	5,2
Castilla La mancha	481	5,7
Navarra	562	6,6
Resto de comunidades	1.281	15,2
Total	8.460	100%



20.2 Gastos de personal

El detalle de los gastos por retribuciones a los empleados del ejercicio 2016, es la siguiente:

	Miles de euros
Sueldos, salarios y asimilados	1.863
Otras cargas sociales e impuestos	125
Total gastos de personal	1.988

20.3 Otros gastos de explotación

El detalle de este epígrafe de la cuenta de pérdidas y ganancias adjunta del ejercicio 2016 es el siguiente:

	Miles de euros
Servicios exteriores:	
Arrendamientos	28
Reparaciones y conservación	725
Servicios de profesionales independientes	1.991
Primas de seguros	29
Suministros	180
Otros gastos	927
Ingresos por gastos repercutidos	(447)
Tributos	1.170
Perdidas por deterioro de créditos comerciales (Nota 12)	66
Total otros gastos de explotación	4.669

Dentro del epígrafe "Servicios profesionales independientes" se incluye principalmente el gasto por el servicio de asesoría, planificación y gestión estratégica prestada por Merlin Properties SOCIMI, S.A. (véase Nota 21.1).

20.4 Ingresos y gastos financieros

El desglose del saldo de estos capítulos de la cuenta de pérdidas y ganancias es el siguiente:

	Miles de euros
Intereses de depósitos y cuentas corrientes	1
Ingresos financieros	1
Intereses de préstamos y otros	(1.136)
Gastos financieros	(1.136)
Resultado financiero	(1.135)

Dentro de la cuenta "Intereses de préstamos y otros" se incluye la amortización de los gastos de formalización de deuda por importe de 26 miles de euros del ejercicio 2016, por la aplicación del tipo de interés efectivo en la deuda financiera (véase Nota 15).

21. Operaciones y saldos con partes vinculadas

21.1 Operaciones con vinculadas

El detalle de operaciones realizadas con empresas vinculadas durante el ejercicio 2016 es el siguiente:

	Miles de euros	
	Otros gastos de explotación	Gastos financieros
Merlin Properties SOCIMI, S.A.	1.532	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	121
Banco Santander, S.A.	-	630
TOTAL	1.532	751

Con fecha 20 de octubre de 2016, la Sociedad suscribió un contrato de prestación de servicios de gestión con Merlin Properties SOCIMI, S.A. para la prestación de servicios de asesoría, planificación y gestión estratégica de los negocios, activos y pasivos a cambio de una contraprestación económica anual de 7,7 millones de euros (actualizable anualmente al 1,5%) cuya contraprestación podrá ser capitalizada en determinados supuestos de resolución del contrato, en acciones de la Sociedad. Con fecha 22 de diciembre de 2016, el Consejo de Administración de la Sociedad aprobó el desistimiento del mencionado contrato tan pronto sea posible y dar cumplimiento a los trámites contractuales que resulten de aplicación. A la fecha de formulación de las presentes cuentas anuales no se ha formalizado la rescisión del citado acuerdo. Los Administradores estiman que la rescisión de este contrato no tendrá un impacto patrimonial significativo.

21.2 Saldos con vinculadas

El importe de los saldos con vinculadas en el balance al 31 de diciembre de 2016 es el siguiente:

	Miles de euros				
	Cuenta corriente y otras deudas con empresas del Grupo y asociadas	Cientes comerciales y otras cuentas por cobrar	Proveedores	Deuda con entidades de Crédito	Efectivo y otros activos líquidos
Metrovacesa Alquileres Urbanos, S.A.	(51.844)	-	-	-	-
Merlin Properties SOCIMI, S.A.	464	11	2.745	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	-	51.371	-
Banco Popular, S.A.	-	-	-	-	13
Banco Santander, S.A.	-	-	-	221.268	25.005
TOTAL	(51.380)	11	2.745	272.639	25.018

Dentro de los epígrafes "Cuentas corrientes y otras deudas con empresas del Grupo y asociadas" se incluye principalmente la financiación recibida de la Sociedad por Metrovacesa Alquileres Urbanos, S.A. Dicho contrato se ha articulado a través de un contrato de cuenta corriente entre la Sociedad y su filial.

21.3 Retribuciones al Consejo de Administración y a la Alta Dirección

Las retribuciones percibidas durante el ejercicio 2016 por los miembros del Consejo de Administración y la alta dirección de Testa Residencial SOCIMI, S.A., clasificadas por conceptos, han sido las siguientes (en miles de euros):

	Sueldos	Dietas	Otros Conceptos	Planes de Pensiones	Primas de Seguros (1)	Indemnizaciones por Cese	Pagos Basados en Instrumentos de Patrimonio	Retribución personas físicas que representan a la Sociedad (2)
Consejo de Administración	60	-	-	-	19	-	-	-
Alta Dirección	81	-	-	-	-	-	-	-

(1) Incluye el importe satisfecho por la prima de seguro de responsabilidad civil de los Administradores por daños ocasionados por actos u omisiones, por importe de 19 miles euros.

(2) Incluye las remuneraciones satisfechas a las personas físicas que representan a la Sociedad en el órgano de administración de otras entidades.

No existen anticipos ni créditos concedidos a los miembros del Consejo de Administración y a la alta dirección de Testa Residencial SOCIMI, S.A. al cierre del ejercicio 2016. A la fecha de formulación de las presentes cuentas anuales los Administradores en su totalidad son varones.

21.4 Información en relación con situaciones de conflicto de intereses por parte de los Administradores

Al cierre del ejercicio 2016 los miembros del Consejo de Administración de Testa Residencial SOCIMI, S.A. no han comunicado a los demás miembros del Consejo (o, tratándose de un administrador único, a la Junta General) situación alguna de conflicto, directo o indirecto, que ellos o personas vinculadas a ellos, según se define en la Ley de Sociedades de Capital, pudieran tener con el interés de la Sociedad.

22. Otra información

22.1 Personal

El número medio de empleados de la Sociedad a 31 de diciembre de 2016 desglosado por categorías ha sido el siguiente:

	Número de empleados
Consejeros ejecutivos	1
Alta Dirección	4
Resto empleados	45
Total	50

Asimismo, la distribución por sexos la Sociedad al término del ejercicio 2016 es como sigue:

	Mujeres	Hombres
Consejeros ejecutivos	-	1
Alta Dirección	1	3
Resto de empleados	30	15
Total	31	19

La Sociedad no dispone de personal empleado durante el ejercicio 2016, con discapacidad mayor o igual del 33%.

22.2 Honorarios de auditoría

Durante el ejercicio 2016, los importes por honorarios cargados relativos a los servicios de auditoría de cuentas y a otros servicios prestados por el auditor de la Sociedad, Deloitte, S.L., o por una empresa vinculada al auditor por control, propiedad común o gestión han sido los siguientes:

	Miles de euros
Servicios de Auditoría	70
Total servicios de Auditoría y relacionados	70
Total Servicios Profesionales	70

23. Información sobre la gestión del Riesgo Financiero

Factores de riesgo financiero

Las actividades de la Sociedad están expuestas a diversos riesgos financieros: riesgo de mercado, riesgo de crédito, riesgo de liquidez y riesgo del tipo de interés en los flujos de efectivo. El programa de gestión del riesgo global de la Sociedad se centra en la incertidumbre de los mercados financieros y trata de minimizar los efectos potenciales adversos sobre la rentabilidad financiera de la Sociedad.

La gestión del riesgo está controlada por la Alta Dirección de la Sociedad con arreglo a políticas aprobadas por el Consejo de Administración. La Alta Dirección identifica, evalúa y cubre los riesgos financieros en estrecha colaboración con las unidades operativas de la Sociedad. El Consejo proporciona políticas escritas para la gestión del riesgo global, así como para materias concretas tales como, riesgo de mercado, riesgo de tipo de interés, riesgo de liquidez e inversión del excedente de liquidez.

Riesgo de mercado

Atendiendo a la situación actual del sector inmobiliario, y con el fin de minimizar el impacto que ésta puede provocar, la Sociedad tiene establecidas medidas concretas que tiene previsto adoptar para minimizar dicho impacto en su situación financiera.

La aplicación de estas medidas está subordinada a los resultados de los análisis de sensibilidad que la Sociedad realiza de forma recurrente. Estos análisis tienen en cuenta:

- Entorno económico en el que desarrolla su actividad: Diseño de diferentes escenarios económico modificando las variables clave que pueden afectar a la Sociedad (tipos de interés, precio de las acciones, % de ocupación de las inversiones inmobiliarias, etc.). Identificación de aquellas variables interdependientes y su nivel de vinculación.
- Marco temporal en el que se está haciendo la evaluación: Se tendrá en cuenta el horizonte temporal del análisis y sus posibles desviaciones.

Riesgo de crédito

Se define como el riesgo de pérdida financiera al que se enfrenta la Sociedad si un cliente o contraparte no cumple con sus obligaciones contractuales.

Con carácter general la Sociedad mantiene su tesorería y activos líquidos equivalentes en entidades financieras de alto nivel crediticio.

La Sociedad tiene políticas para limitar el volumen de riesgo con los clientes y la exposición al riesgo en la recuperación de créditos se administra como parte de las actividades normales, a través, entre otros aspectos por la obtención de fianzas y avales.

La Sociedad cuenta con procedimientos formales para la detección del deterioro de créditos comerciales. Mediante estos procedimientos y el análisis individual por áreas de negocio, se identifican retrasos en los pagos y se establecen los métodos a seguir para estimar la pérdida por deterioro.

Efectivo y equivalentes de efectivo

La Sociedad mantiene efectivo y equivalentes de efectivo por 27.896 miles de euros que representan su máxima exposición al riesgo por estos activos.

El efectivo y equivalentes de efectivo son mantenidos con bancos e instituciones financieras.

Riesgo de liquidez

Se define como el riesgo de que la Sociedad tenga dificultades para cumplir con sus obligaciones asociadas a sus pasivos financieros que son liquidados mediante la entrega de efectivo o de otros activos financieros.

Al 31 de diciembre de 2016 el fondo de maniobra de la Sociedad es negativo en un importe de 39.254 miles de euros, derivado fundamentalmente de la deuda contraída con su participada Metrovacesa Alquileres Urbanos, S.A. Los Administradores estiman que la deuda con su filial se renovara en el ejercicio 2017 por al menos un ejercicio, por lo que el fondo de maniobra descontando el efecto de la mencionada deuda ascendería a 12.591 miles de euros positivo.

La Sociedad lleva a cabo una gestión prudente del riesgo de liquidez, fundada en el mantenimiento de suficiente liquidez para cumplir con sus obligaciones cuando vencen, tanto en condiciones normales como de tensión, sin incurrir en pérdidas inaceptables o arriesgar la reputación de la Sociedad.

Riesgo de tipo de cambio

La Sociedad no tiene exposición al riesgo de fluctuaciones en los tipos de cambio pues realiza sus operaciones en moneda funcional.

Riesgo fiscal

Tal y como se menciona en la Nota 1, la Sociedad se acogió al régimen fiscal especial de la Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI). Según lo establecido en el artículo 6 de la Ley 11/2009, de 26 de octubre de 2009, modificada por la Ley 16/2012, de 27 de diciembre las SOCIMI, las sociedades que han optado por dicho régimen están 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 siguientes a la conclusión de cada ejercicio y pagarse dentro del mes siguiente a la fecha del acuerdo de distribución (Nota 3.1).

24. Garantías comprometidas con terceros y otros pasivos contingentes

A 31 de diciembre de 2016 la Sociedad tiene garantías prestadas a terceros por importe de 265 miles de euros así mismo, no tiene pasivos contingentes significativos.

25. Hechos posteriores

Con fecha 30 de enero de 2017, la Junta General extraordinaria de Accionistas de Testa Residencial SOCIMI, S.A. ha aprobado una ampliación de capital no dineraria por importe de 665,6 millones de euros mediante la aportación de 3.387 activos inmobiliarios residenciales procedentes principalmente de las entidades financieras accionistas de la Sociedad, Banco Santander, S.A. Banco Bilbao Vizcaya Argentaria S.A. y Banco Popular, S.A..

Anexo I - Se detalla la relación de bienes del negocio residencial de Testa Residencial y Metrovacesa que se encuentran registrados en los libros de Testa Residencial SOCIMI, S.A..

Denominación Activo	Provincia	Localidad	Dirección
R.Josep Irla III	BARCELONA	SAN CUGAT	C/ Josep Irla 125, 135
R.Tarradellas IV	BARCELONA	SAN CUGAT	C/ San Antoni Solanell 14, 16 y C/ Josep Tarradellas 2, 4
R.Ballester	VALLADOLID	VALLADOLID	Pza Torrente Ballester, 1
R.Mir. Del Sur	MADRID	MADRID	C/ Las Lenguas 4-6
R.Ensanche Vallecas	MADRID	MADRID	c/ Escuela de Vallecas, 12
R.Mirasur Vallecas	MADRID	MADRID	C/ Embalse de Navacerrada 49, 51
R.J.A.Mendizabal	MADRID	MADRID	C/ Juan Alvarez Mendizábal, 61
R.Misterios	MADRID	MADRID	C/ Los Misterios 28
R.C.Venadito	MADRID	MADRID	C/ Condesa de Venadito 18-24
R.Mirador Tablas	MADRID	MADRID	C/ San Juan de Ortega 20, 54, 68
R.Las TablasC9	MADRID	MADRID	C/ Ligonde 4
R.Las TablasC10	MADRID	MADRID	C/ Triacastela 4
R.Las Tablas B13	MADRID	MADRID	C/ San Juan de Ortega 24, 26, 28, 40, 42, 52, 54, 58, 66, 68, 76, 78
R.Torrelaguna,65	MADRID	MADRID	C/ Torrelaguna 65
R.Torrelaguna,67	MADRID	MADRID	C/ Torrelaguna 67
R.Tomas Lopez 10,12	MADRID	MADRID	C/ Tomás López 10, 12
R.Tomas Lopez 6,9,11	MADRID	MADRID	C/ Tomás López 6, 7, 9, 11
R.Golfo Salonica	MADRID	MADRID	C/ Golfo de Salónica 63
R.El Molino	MADRID	MADRID	C/ Andrés de Urdaneta 10
R.Pinar Bergamin 1	MADRID	MADRID	C/ Rafael de Bergamín 5
R.Pinar Bergamin 2	MADRID	MADRID	C/ Rafael de Bergamín 5
R.Salvador Dali 6	PALMA DE MALLORCA	PALMA DE MALLORCA	C/ Juan Gris 37, 39, 41, 43, 45, 47, 49, 51
R.Salvador Dali 7	PALMA DE MALLORCA	PALMA DE MALLORCA	C/ Juan Gris , 67, 69, 71, 73, 75, 77
R.Mir.La Maso	MADRID	MADRID	C/ La Masó 1
R.Mir.CostaBrava	MADRID	MADRID	C/ Costa Brava 14 Bis
R.Mir.Moralzarzal	MADRID	MADRID	C/ Moralzarzal 80
R.El Pinar II	MADRID	MADRID	C/ Valle del Roncal 16. Las Rozas
R.Seseña, 22.2	TOLEDO	SESEÑA	C/ Sorolla 7
R.Seseña, 4.4	TOLEDO	SESEÑA	C/ Rembrandt 4
R.Seseña, 4.5	TOLEDO	SESEÑA	C/ Rembrandt 6
R.Seseña,4.6	TOLEDO	SESEÑA	C/ Rembrandt 8

R.Seseña,48-1 y 48-2	TOLEDO	SESEÑA	C/ Leonardo Da Vinci 4 y C/ Domenico Veneciano 3
R.Seseña,22.2 Locales	TOLEDO	SESEÑA	C/ Sorolla 7
R.Benicalap 1	VALENCIA	VALENCIA	C/ Carlos Climent González 9, 11; C/ María Fernanda D'Ocon 2, 4 y 6; C/ Encarna Albarracín 5; C/ Manuel Meliá i Fuster 10, 12, 14 y C/ Salvador Cerveró 17
R.Benicalap 2	VALENCIA	VALENCIA	C/ Carlos Climent González 9, 11; C/ María Fernanda D'Ocon 2, 4 y 6; C/ Encarna Albarracín 5; C/ Manuel Meliá i Fuster 10, 12, 14 y C/ Salvador Cerveró 17
R.Anna Tugás 8	BARCELONA	BADALONA	C/ Anna Tugás 8
R.Anna Tugás 22	BARCELONA	BADALONA	C/ Anna Tugás 22
R.Onice	MADRID	MADRID	C/ Ónice 3, 5
R.Mendez Alvaro	MADRID	MADRID	C/ Méndez Álvaro 34
R.Castellana Viv.	MADRID	MADRID	C/ Félix Boix 4, 5, 6, 8; C/ Doctor Fleming 35, 39, 41, 43, 45, 47; C/ Carlos Maurras 7
Manzana Castellana Locales	MADRID	MADRID	C/ Félix Boix 4, 5, 6, 8; C/ Doctor Fleming 35, 39, 41, 43, 45, 47; C/ Carlos Maurras 7
R.Terr.Gran Vía	ALICANTE	ALICANTE	C/ Enfermera Angelina Ceballos 1, 3
R.Marcelo Celayeta	NAVARRA	PAMPLONA	C/ Marcelo Celayeta 119, 121, 123, 125, 127, 129, 131
R.Residencial Norte	NAVARRA	PAMPLONA	C/ Remiro de Goñi 42; Av. Pamplona 37, 39, 41
R.Sanducelay	NAVARRA	PAMPLONA	C/ Sanducelay 2, 4, 6, 8; C/ Santa Vicenta María 38
R.La Rochapea	NAVARRA	PAMPLONA	Travesía Ártica 4, 6; C/ Garde 11, 13
R.º Sandúa	NAVARRA	PAMPLONA	Paseo Sandúa 56, 58, 60
R.Miño	VALLADOLID	LAGUNA DE DUERO	C/ Miño 18, 20, 24, 26
R.Tajo	VALLADOLID	LAGUNA DE DUERO	C/ Tajo 2, 4, 6, 8, 10, 12
R.María Moliner	MADRID	MADRID	C/ María Moliner 14 (Edif. Leganés Norte)

Benta Berri	SAN SEBASTIÁN	GUIPÚZCOA	Mª de Azcue, Bersolari Xalbador, Jose María Sert, Oihenart Kalea
PAVONES	Madrid	Madrid	Fuente Carrantona, 36
VALDEBERNARDO	Madrid	Madrid	Copérnico, 10-14 A. Mariscal, 1-3 Pergamino 17A, 17A, 19B, 21A, 21B
P. CASTILLA	Madrid	Madrid	San Benito, 5 P.D. Castellana 193
TOLEDO	Toledo	Toledo	C. Río Estenilla, 21
ALCORCON	Madrid	Alcorcon	C. Estocolmo, 1-19
Alameda de Osuna	Madrid	Madrid	Pº de la Alameda de Osuna, 48 - Portales A-E
Móstoles I	Madrid	Móstoles	C/ Hydra, 10-28
Móstoles II	Madrid	Móstoles	C/ Cefeo, 14-18
Campo de Tiro	Madrid	Leganés	C/ Encinas, 6 y 8
Usera	Madrid	Madrid	C/ Simca, 10-14B y C/ Solara, 1

INFORME DE GESTIÓN

1.- EVOLUCIÓN DE TESTA RESIDENCIAL EN 2016

Durante el ejercicio 2016 Testa Residencial ha realizado operaciones de reestructuración corporativa y ha recibido aportaciones de patrimonio residencial de terceros las principales operaciones de ampliación de capital que se han realizado que se han realizado han sido las siguientes:

- ampliación de capital social por aportación no dineraria de inmuebles, emitiendo 2.238.551.888 nuevas acciones por la que Testa Inmuebles en Renta Socimi, S.A. aportó los locales comerciales de los principales activos residenciales que la Sociedad tenía y que complementaban, así como, un parking el Plaza de Castilla (Madrid).
- ampliación de capital social por aportación no dineraria mediante la emisión de 3.075.278.154 acciones por la que Metrovacesa, S.A. aportaba el área de su negocio residencial en alquiler a la Sociedad.

Estas operaciones junto con una nueva aportación de activos realizada el 7 de marzo de 2017, mencionada en la nota de acontecimientos posteriores al cierre, hacen que Testa Residencial Socimi, S.A. se configure como la empresa líder en sector residencial en alquiler privado en España.

Los activos inmobiliarios de Testa Residencial Socimi, S.A., han sido tasados por Savills Consultores Inmobiliarios, S.A., consultora independiente, obteniendo una valoración conjunta de 1.078.608 miles de euros y derivando en unas plusvalías latentes consolidadas de 28.850 miles de euros.

Un detalle del balance y cuenta de resultados consolidadas abreviadas, incorporando las plusvalías mencionadas con anterioridad, y expresado en miles de euros, es como sigue:

ACTIVO	CONSOL IFRS	PATRIMONIO NETO Y PASIVO	CONSOL IFRS
ACTIVO NO CORRIENTE	1.082.752	PATRIMONIO NETO	677.729
Inmovilizado intangible	162.854	Capital	46.766
Inmovilizado material	-	Prima de emisión	411.032
Inversiones inmobiliarias	912.304	Reservas	193.006
Inversiones financieras a largo plazo	7.298	Beneficios Consolidados del ejercicio	27.414
Activos por impuesto diferido	296	Ajustes por cambios de valor	(489)
		PASIVO NO CORRIENTE	418.155
		Provisiones a largo plazo	1.410
		Deudas a largo plazo con entidades de crédito	348.851
		Otros pasivos financieros no corrientes	7.245
		Pasivos por impuesto diferido	60.649
ACTIVO CORRIENTE	32.407	PASIVO CORRIENTE	19.276
Deudores comerciales y otras cuentas a cobrar	2.452	Deudas a corto plazo con entidades de crédito	12.635
Otros activos financieros corrientes	488	Deudas a corto plazo con empresas del grupo	-
Otros activos corrientes	666	Acreedores comerciales y otras cuentas a pagar	5.207
Efectivo y otros activos líquidos equivalentes	28.801	Otros pasivos corrientes	1.433
TOTAL ACTIVO	1.115.159	TOTAL PATRIMONIO NETO Y PASIVO	1.115.159

Expresado en Miles de Euros

	CONSOL. IFRS
OPERACIONES CONTINUADAS	
Importe neto de la cifra de negocios	9.586
Otros ingresos de explotación	3
Gastos de personal	(2.000)
Otros gastos de explotación	(4.733)
Amortización del inmovilizado	(3)
Variación del Valor Razonable en inversiones inmobiliarias	25.775
Deterioro y resultado por enajenaciones del inmovilizado	163
RESULTADO DE EXPLOTACIÓN	28.791
Ingresos financieros	1
Gastos financieros	(1.137)
RESULTADO FINANCIERO	(1.136)
RESULTADO ANTES DE IMPUESTOS	27.655
Impuestos sobre beneficios	(241)
RESULTADO DEL EJERCICIO	27.414

Según se desprende del balance de situación anterior la Sociedad mantiene a 31 de diciembre de 2016 los siguientes ratios de LTV (Loan to Value) y de Apalancamiento que muestran la solidez y solvencia de la Sociedad:

Miles de euros	2.016
ENDEUDAMIENTO FINANCIERO	361.486
EFFECTIVO Y OTROS MEDIOS EQUIVALENTES	(28.801)
ENDEUDAMIENTO FINANCIERO NETO G.TESTA	332.685
VALORACIÓN DE ACTIVOS	1.078.608
LOAN TO VALUE	30.84%
Miles de Euros	2.016
DEUDA FINANCIERA	361.486
DEUDAS COMERC. Y OTRAS CUENTAS A PAGAR	75.945
EFFECTIVO Y OTROS MEDIOS EQUIVALENTES	(28.801)
TOTAL DEUDA NETA	408.630
PATRIMONIO NETO	677.729
PATRIMONIO NETO + DEUDA NETA	1.086.358
RATIO DE APALANCAMIENTO	37.61%

2.- INFORMACIÓN SOBRE PARTICIPACIONES PROPIAS E INVERSIONES EN INVESTIGACIÓN Y DESARROLLO

La Sociedad no ha desarrollado, durante el ejercicio 2016, ninguna actividad en materia de investigación y desarrollo ni ha adquirido durante el ejercicio 2016 adquisiciones de participaciones propias.

3.- ACONTECIMIENTOS POSTERIORES AL CIERRE

Con fecha 30 de enero de 2017, la Junta General extraordinaria de Accionistas de Testa Residencial SOCIMI, S.A. ha aprobado una ampliación de capital no dineraria por importe de 665,6 millones de euros mediante la aportación de 3.387 activos inmobiliarios residenciales procedentes principalmente de las entidades financieras accionistas de la Sociedad, Banco Santander, S.A. Banco Bilbao Vizcaya Argentaria S.A. y Banco Popular, S.A.. Dicha operación de aportación de activos ha sido formalizada ante notario con fecha 7 de marzo de 2017.

TESTA RESIDENCIAL, SOCIMI, S.A.

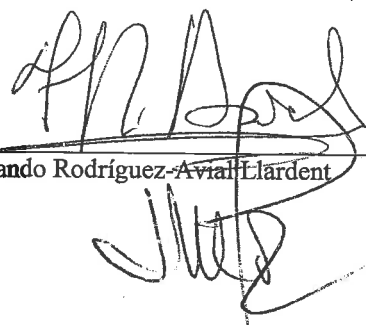
Formulación de Cuentas Anuales e Informe de Gestión del ejercicio 2016

Reunidos los Administradores de la Sociedad TESTA RESIDENCIAL, SOCIMI, S.A. con fecha de 30 de marzo de 2017 y en cumplimiento de los requisitos establecidos en el artículo 253.2 del Texto Refundido de la Ley de Sociedades de Capital y en el artículo 37 del Código de Comercio, proceden a formular las cuentas anuales y el informe de gestión del ejercicio terminado el 31 de diciembre de 2016. Las cuentas anuales vienen constituidas por los documentos anexos que preceden a este escrito.

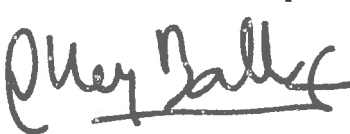
En Madrid a 30 de marzo de 2017



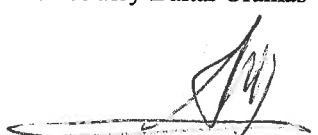
D. Ignacio Moreno Martínez (Presidente)




D. Fernando Rodríguez-Avial Lardent



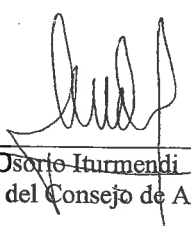
D. José María Fernández Conquero



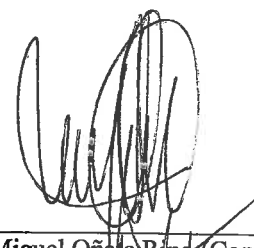
D. Cesáreo Rey-Baltar Oramas




D. Antonio Hernández Mancha




D. Lucas Osorio Iturmendi
Secretario del Consejo de Administración



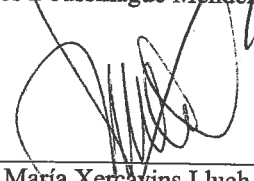
D. Miguel Oñate Rino (Consejero Delgado)



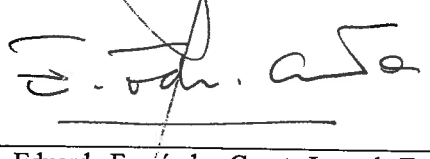
Dña. Jorge Pérez de Leza Eguiguren



D. Carlos Doussinague Méndez de Lugo



D. José María Xercavins Lluch



D. Eduardo Fernández-Cuesta Luca de Tena

ANNEX V – EQUITY VALUATION REPORT



TESTA RESIDENCIAL SOCIMI, S.A.

Paseo de la Castellana, nº 257

28046 - Madrid (Madrid)

CIF - A82865890

Madrid, 16 July 2018

Following your instructions agreed to in the proposal made on June 2018, GESVALT SOCIEDAD DE TASACIÓN, S.A. ([gesvalt](#)) has conducted the Fair Value analysis of TESTA RESIDENCIAL, SOCIMI, **S.A. in the context of the company's listing on the MAB** (Spanish Alternative Stock Market).

Based on this, the purpose of this report is to provide our opinion, as an independent expert, in accordance with the requirement by Bolsas y Mercados Españoles, Sistemas de Negociación, S.A. set out in section 2.6. of Circular No. 9/2017.

Next, we present the results of the study and analysis carried out.

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Section 1
Executive Summary

1.	Executive Summary
2.	Purpose and Scope
3.	Company Information
4.	Methodology Used
5.	Valuation Process
6.	Valuation Result
7.	Conclusion

1. EXECUTIVE SUMMARY

EPRA NAV (thousand €)		LOW RANGE	MID RANGE	HIGH RANGE
Equity Value (12/31/2017)	①	1,225,659	1,394,524	1,563,389
Concession Capital Gain	②	6,714	8,361	10,008
Other Financial Liabilities	③	355,565	355,565	355,565
Coverages	④	120	120	120
Deferred Assets & Liabilities	⑤	94,870	94,870	94,870
VAT Payment	⑥	-18,842	-18,842	-18,842
Adjusted Equity (EPRA NAV)	① + ② + ③ + ④ + ⑤ - ⑥	1,664,086	1,834,598	2,005,111

Section 2 Purpose and Scope

1. Executive Summary
2. Purpose and Scope
3. Company Information
4. Methodology Used
5. Valuation Process
6. Valuation Result
7. Conclusion

2. PURPOSE AND SCOPE

2.1. Purpose

The purpose of this report is to provide an opinion as an independent expert on the Fair Value of the company TESTA RESIDENCIAL, SOCIMI, S.A. in relation to its situation as of 31st December 2017 and assuming the audited accounting information at that date.

At the same time, the present document intends to serve as a tool of external and independent value opinion that meets the requirement set out by Circular 9/2017, related to the regime applicable to Spanish REITs -known as SOCIMIs (listed publicly traded real estate investment companies)- **becoming listed on the MAB (Spain's Alternative Stock Market)**, as specified in section 2.6.

This report includes a valuation that is considered to have been carried out in accordance with internationally recognized criteria, the ultimate purpose being the determination of the Fair Value of the company, defined as *“the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date¹”*.

Applicable guidelines in RICS® Red Book (published by the Royal Institution of Chartered Surveyors) are also taken into account².

Likewise, it is necessary to outline that a business valuation is a procedure based on an objective and generally accepted methodology and process, with the knowledge that it is a theoretical value, approximate to the market price, which does not consider subjective, synergistic, logistical, opportunity or speculative components intervening in the composition of the closing price of any sale transaction.

The value is explicitly "estimated" or possible, obtained under the principle of independence and through the use of influence-free assumptions and calculations, with the purpose of helping decision-making, and for this purpose we will try to provide our conclusions in this regard.

¹ IFRS 13 Fair Value Measurement

² Based on compliance with PS 1 and PS 2, as well as VPGA 3 and their extensions over International Valuation Standards (IVS).

2.2. Scope - Information Used

In the course of the study we had access to the following information, from the sources indicated and deemed reliable:

INFORMATION PROVIDED BY THE REQUESTOR

- Consolidated Annual Accounts of the Company as of 12/31/2017, together with the Audit Report.
- *Prospectus* Draft dated 24th May 2018.
- **Savills' valuation report of assets owned by the Company as of 31st December 2017.**

OTHER INFORMATION

- Valuation reports prepared by Gesvalt Sociedad de Tasación, S.A.
- Databases and recent valuation reports of Gesvalt Sociedad de Tasación, S.A.
- Public information published by official institutions: National Institute of Statistics, Bank of Spain, Ministry of Economy and Finance, etc.

We also deem it necessary to outline that the aim of this report is not to audit the origin of the items included in the accounts provided, which are assumed as data for the present work. Due to this, the conclusions adopted are closely linked to the veracity of the information provided.

2.3. Regulatory Framework

The valuation has been conducted taking into account the following regulations:

- Circular 9/2017 on the rules governing Spanish SOCIMIs (publicly traded real estate investment companies).
- IFRS 13 on Fair Value Measurement: In order to increase the coherence and comparability of the Fair Value measurements made, the provisions in the Standard relating to the application of level 1, 2 or 3 variables, as the case may be, have been taken into account. Approaches set out in paragraphs 61 to 66 of valuation techniques are also envisaged.
- International Valuation Standards (IVS) issued by the IVSC. Valuation approaches considered included those set forth in the sections of C13-C30 Standard.
- Red Book, published by the Royal Institution of Chartered Surveyors (RICS). VPGA 3, on the Valuation of Businesses and Business Interest, section 7.

Section 3 Company Information

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3. COMPANY INFORMATION

3.1. General Information on the Regime Governing SOCIMIs

The investment requirements for these companies are listed below:

1. At least 80 percent of the total assets held by a SOCIMI must consist of urban real estate for lease or land for development of leasable urban property, provided that the development starts within the 3-year period following the acquisition.

According to Article 3 of Act 11/2009 governing *sociedades cotizadas de inversión en el mercado inmobiliario* (SOCIMIs), The value of the asset will be determined by replacing the book value with the market value of the items in the balance sheet. For these purposes, cash or receivables derived from the transfer of said properties or shares made in the same or previous year will be excluded from the calculation, in the latter case provided that the reinvestment period referred to in Article 6 of this Act has not expired.

2. Likewise, at least 80 percent of the income of the tax period corresponding to each year, excluding those derived from the transfer of shares and real estate both affected to the fulfilment of its main corporate purpose, once the holding period referred to in the following section term has elapsed, must come from the lease of real estate and dividends or shares in profits from such shares.

This percentage must be calculated on the basis of consolidated profit if the company is the parent of a group, in accordance with the criteria established in article 42 of the Spanish Commercial Code (Código de Comercio), regardless of its place of residence and of the obligation to formally prepare consolidated financial statements. Such a group must be composed exclusively of the SOCIMI and the other entities referred to in article 2.1 of this Act.

3. **The properties included in the SOCIMI's assets shall remain leased** for at least a 3-year period. The time during which the properties have been made available for lease, up to a maximum of one year, will be included for the purposes of this calculation.

In the case of shares or investments in entities referred to in section 1 of **article 2 of this Act, they shall remain on the asset side of the company's** balance sheet for at least three years following their acquisition or, where applicable, from the commencement of the first tax period in which the special tax regime set forth in this Act is applied.

As established in transitional provision one of Act 11/2009 of 26 October, amended by Act 16/2012 of 27 December, governing listed real estate investment companies, the special tax regime may be applicable even if the requirements established therein are not met, provided that such requirements are met within two years after the date of the option to apply that regime.

Should the SOCIMI fail to comply with this condition, the company shall have to file Corporate Income Tax returns under the general tax regime starting on the tax period in which the aforementioned condition is not met, unless this situation is rectified in the following tax period. Additionally, The SOCIMI will also be obliged to pay, together with the amount relating to the aforementioned tax period, the difference between the amount of tax payable under the general tax regime and the amount paid under the special tax regime in the previous tax periods, including any applicable late-payment interest, surcharges and penalties.

In addition to the foregoing, the amendment of Act 11/2009 of 26th October 26, by Act 16/2012 of 27th December 2012, sets out the following specific amendments:

- a) More flexible criteria for the acquisition and holding of real estate assets: there is no lower limit on the number of real estate assets **to be contributed at the SOCIMI's incorporation, except for housing units**, of which at least eight must be contributed. Real estate **assets no longer have to remain on the company's balance sheet** for seven years but only for at least three years.
- b) Reduction in capital requirements and unlimited leverage: the minimum capital required is reduced from 15 to 5 million euro, **eliminating the restriction on the real estate investment vehicle's** maximum borrowing.

- c) Reduction in dividend payout: until the Act came into force, 90% of the profits had to be distributed. This mandatory figure was reduced to 80% as from 1st January 2013.

The special tax regime for SOCIMIs, as amended by Law 16/2012, of 27 December, is based on the application of a 0% income tax rate, provided that the aforementioned requirements are met.

3.2. Company Description

The company TESTA RESIDENCIAL, SOCIMI, S.A. was founded in 2001. Its corporate purposes are as follows:

- The acquisition and development of urban real estate for the purpose of letting.
- The holding of shares in the capital of other SOCIMIs or in other non-resident companies with the same corporate purposes and which are subject to a regime similar to that of SOCIMIs regarding the legal or statutory dividend distribution policy.
- The holding of shares in the capital of other companies, resident or not in the Spanish territory, whose main corporate purpose is the acquisition of urban real estate for the purpose of letting and which are subject to the same regime as SOCIMIs regarding the legal and statutory dividend distribution policy and meet the investment requirements applied to SOCIMIs set forth in Article 3 of Act 11/2009 of 26 October.

- The holding of shares or units in Real Estate Collective Investment Schemes regulated by the Spanish Collective Investment Schemes Act 35/2003, of 4 November.

The portfolio of assets owned by the Company comes from a series of corporate and acquisition operations following the acquisition of Testa Inmuebles en Renta by Merlín and the integration of the residential portfolio of Merlín and Metrovacesa. This portfolio is mostly concentrated in Madrid, at the valuation date.

The Company became subject to the special tax regime regulating publicly traded real estate investment companies ("SOCIMIs"), derived from the application for admission to the special regime presented by the Company before the State Agency of the Tax Administration.

The following is the balance sheet of the company at the date of valuation (in thousands of euros), with a remarkable the potential generation of profit through real estate investments carried out by the company.

TESTA RESIDENCIAL SOCIMI, S.A. & SUBSIDIARIES BALANCE SHEET		2017
NON-CURRENT ASSETS		
Concession Projects		156.343
Other Intangible Assets		99
Tangible Assets		70
Real Estate Investments		2.106.079
Non-current Financial Investments		9.812
Deferred Tax Assets		11.083
TOTAL NON-CURRENT ASSETS		2.283.486
CURRENT ASSETS		
Trade and Other Receivables		1.432
Other Current Financial Assets		3
Cash and Cash Equivalents		71.158
TOTAL CURRENT ASSETS		72.593
TOTAL ASSETS		2.356.079

TESTA RESIDENCIAL SOCIMI, S.A. & SUBSIDIARIES BALANCE SHEET		2017
EQUITY		
Subscribed Capital		125.863
Share Premium		1.332.879
Reserves		-133.046
Accumulated Loss from Previous Years		-1.754
Profit / Loss Attributable to the Parent Company		70.146
Value-Change Adjustments		-336
Equity Attributable to Minority Interests		772
TOTAL EQUITY		1.394.524
NON-CURRENT LIABILITIES		
Provisions		320
Non-Current Financial Liabilities		841.232
Long-term Debt Payable to Credit Institutions		470.545
Derivatives		120
Other Non-Current Financial Liabilities		370.567
Deferred Tax Liabilities		105.953
TOTAL NON-CURRENT LIABILITIES		947.505
CURRENT LIABILITIES		
Provisions		1.019
Current Financial Liabilities		2.539
Short-term Debt with Associated Companies		5.400
Trade and Other Payables		5.092
TOTAL CURRENT LIABILITIES		14.050
TOTAL ASSETS & LIABILITIES		2.356.079

Section 4 Methodology Used

1. Executive Summary
2. Purpose and Scope
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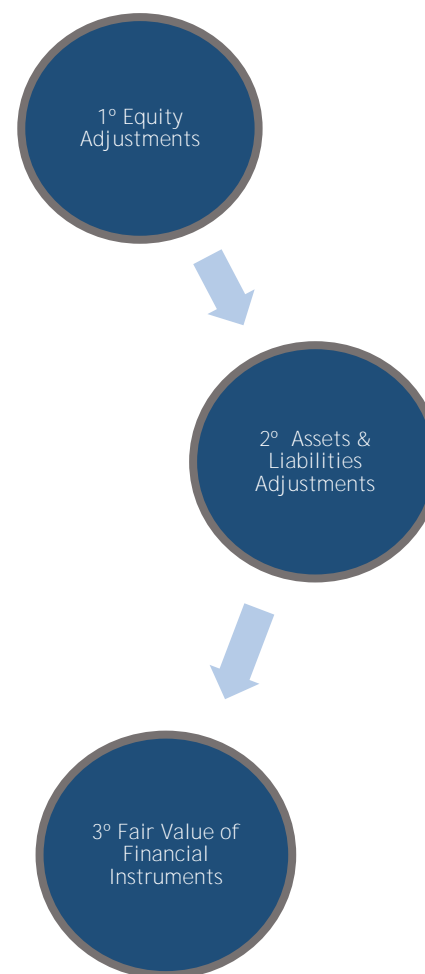
4. METHODOLOGY USED

The Net Asset Value (NAV) is the most representative indicator for the fundamental value of real estate property companies. But, since there was no methodology that unified criteria, the European Public Real Estate Association (EPRA) proposes a series of rules for the calculation of this value.

Given the need for a standardized procedure for the calculation of the NAV, and supported on International Financial Reporting Standards (IFRS) and Business Process Re-engineering (BPR) best practices, the EPRA-NAV methodology emerges, generally accepted at the European level.

One of the needs to be met is the voluntary presentation of information by European real estate companies, which, over time, is becoming an almost mandatory fact due to the demands of the capital markets. Through this method, the value of these companies is more in line with the needs of investors, increasing in transparency and enabling comparability between similar companies.

To carry out the calculation of the NAV according to the EPRA methodology, the starting point is value of the subject company's equity, prepared in accordance with IFRS, with subsequent adjustments on equity, assets and liabilities, adjusting the different accounts at Fair Value.



1º Adjustments on equity: Applying adjustments by equating the hybrid elements with equity.

2º Adjustments on assets and liabilities: By measuring them at Fair Value, revealing the possible hidden reserves of value of the assets valued at another concept of value or the possible impacts of liabilities due to revaluations of debt.

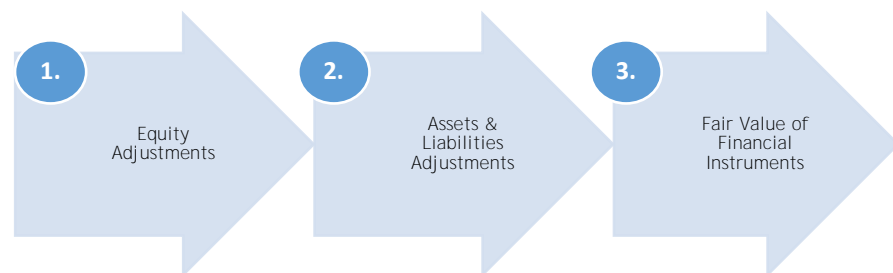
3º Fair value of financial instruments for hedging risks and deferred taxes, which should be excluded due to the business model that is assumed to have a patrimonial company, holding its property investments until the end of their useful life.

Section 5 Valuation Process

1. Executive Summary
2. Purpose and Scope
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5. VALUATION PROCESS

The value has been conducted according to the following sequence:



As previously mentioned, the valuation date is 31st December 2017.

5.1. Equity Adjustments

Since the accounts are prepared and audited in accordance with IFRS, the starting point is the equity at Fair Value, except for the items that are detailed in the following sections.

In order to provide a sensitivity analysis, we have calculated a higher range and a lower range for the equity Fair Value used as a starting point, assuming confidence intervals through the discount rate at which the **company's assets have been valued.**

The ranges have been obtained under the following assumptions:

+/- 8.00% Variation in market values of the assets (except for "Concession Projects").

+/- 1.00% Variation in the market value of "Concession Projects"

5.2. Assets & Liabilities Adjustments

Concession Projects

In order to apply the equity valuation approach by adjustment of the market value of the investments held, it is important to isolate those assets with a market value different from that in the balance sheet. In this case, it corresponds to the accounting item "Concession Projects". The summary of values (in thousands of euros) is shown next:

	Book Value	Market Value	Difference
Concession Projects	156,343	164,704	8,361

Concession Projects are referred to the administrative concession of the dwelling complex known as **"Benta Berri"**, located in San Sebastián.

For each of the other asset items, the Book Value equals the Market Value.

Other Financial Liabilities

Non-Current Liabilities include the item "Other Non-Current Liabilities" with the following composition, according to information in the Memorandum (in thousands of euros):

Other Non-Current Liabilities (thousand Euro)	370,567
Other Financial Liabilities	355,565
Deposits and Guarantees Received	15,002

The item "Other Financial Liabilities" corresponds to the Company's obligation - at the decision of Acciona Real Estate, SL - to carry out a capital reduction in the event that the Parent's securities are not incorporated into the organized stock market before 21st September 2022. The redemption of shares will be directed only to those subscribed by Acciona in 2017 and the amount of the capital reduction will be determined based on the EPRA NAV. The liquidation would be carried out **at the Parent Company's option, either in cash or delivery of the assets** received in the contribution made in 2017, according to the Memorandum.

Therefore, this item would be eliminated by offsetting it with an equity item, thus increasing the equity value.

This adjustment is made in order not to distort the unitary value of the share, since even in the event of not entering the stock market, the reduction in capital would not alter the value of the share.

This adjustment has been made with the understanding that the term is broad enough and the assuming the company's clear intention to enter the organized stock market

Coverages

The Group has determined the Fair Value of interest rate derivatives by using the Discounted Cash Flow approach based on the implicit rates determined by the Euro interest rate curve according to market conditions at the valuation date.

These financial instruments have been classified as Level 2 according to the calculation hierarchy set out in IFRS 7.

The group has made an adjustment in the valuation techniques to obtain the Fair Value of its derivatives. For their calculation, a valuation methodology widely accepted by the market has been applied, which includes the current and future expected exposure, adjusted by the probability of default and by the potential loss or severity in the event of breach of contract, arriving at a Debt Value Adjustment.

VAT Adjustment

In accordance with the provisions of clause 9.3 of the Service Agreement signed with Merlin Properties SOCIMI, S.A., the Parent Company notified its withdrawal with effect from 19th January 2018. Such withdrawal will involve an expense of 108,563 thousand euro (including non-recoverable VAT) with its corresponding liability.

On 26th March 2018, the General Shareholders' Meeting approved an increase in share capital by offsetting of existing loans in the amount of 89,721 thousand euro, being fully subscribed by Merlin Properties SOCIMI, S.A.

The remaining amount corresponds to the Value Added Tax, which amounts to 18,840 thousand Euro, which was settled in cash on 03/06/2018.

In this regard, this amount has been adjusted for the purpose of determining the EPRA NAV value.

Financial Debt

After the analysis performed on the financial debt, taking into account its characteristics, we understand that the interest rates and the spread applied based on the credit quality of the issuer, respond to market parameters. Consequently, we assume the Book Value as a reference equivalent to its current Market Value.

5.3. Deferred Tax Adjustments

The Company's balance sheet has deferred assets and liabilities originated in transactions from the years 2016 and 2017. According to the information contained in the Memorandum, these are specific tax planning actions very likely to be recovered.

As previously mentioned, the effect of deferred taxes should be excluded due to the company's business model, which does not envisage the rotation of the portfolio of these strategic assets.

5.4. Tax Treatment

The consideration of any tacit capital gains in a commercial transaction must consequently result in tax payment or tax obligation on the part of **the transaction's owner. In this regard, capital gains should not be taken** into account without analysing their effect on the tax linked to the company that owns it. However, the type of corporate tax regime gives rise to various interpretations, namely:

- In general, the Corporate Tax Rate will be 0% provided that the following requirements are met:

- a. **Minimum share capital of €5 million**
 - b. At least 80% of the consolidated Market Value of the assets derives from qualifying real estate assets.
 - c. There are no leverage restrictions
 - d. At least 80% of the income arises from qualifying real estate assets.
 - e. Compulsory dividend payout
- Additionally, the company will be subject to a special tax rate of 19% on the total dividends or shares in profit distributed to **shareholders who have an ownership interest in the company's** share capital equal to or greater than 5%, when these dividends, in reference to the shareholders, are exempt or are taxed at a rate less than 10%, except if it is other company under the regime or REIT.
 - Exceptionally, there is a transitional regime described by the General Tax Administration, which specifies that it is possible to adapt the non-essential requirements (such as those described for certain types of taxation) within a 2-year period.

With this, and assuming that the Company meets the requirements for being subject to a 0% rate, and that in any case the capital gains taxation policy should be carried out from the point of view of dividends and not from the Corporate Income Tax, capital gains with a zero tax impact has been selected in both scenarios.

It should be noted that the Company has acquired the assets while under the SOCIMI scheme.

In any case, and as discussed above, it is understood that this work must, on the one hand, be subject to analysis by the investor and, on the other hand, is more linked to the generation of income resulting from a sale than to the income to be generated by the company that, due to its nature, has a special tax regime. At the same time, non-application of a tax rate in these cases is a practice that, once it has been proven that the company complies with the requirements to be subject to the regime, is frequently used in similar market analyses.

5.5. Other Adjustments

Structure Costs

The company must face some structure costs for the management of the property portfolio.

The asset valuation has considered ordinary property expenses such as: common charges, insurance, non-recoverable property taxes paid by the owner, regarded as reasonable and in line with the market.

A cost was applied in calculating the cash flow in line with the index of non-recoverable expenses according to the information provided.

For management fee, an estimate was made by Savills based on their experience in the expenditure applied in the sector, approximately **between 3% and 5% of rental income (€ 15 per unit per month). These costs**

would cover outsourced property management services, including rent collection. It has been assumed that operating costs will grow according to the inflation rate.

In summary, we understand that the structural costs have been included, in the business plan for the valuation of the assets at Fair Value, so no adjustment must be made in this regard to in order to prevent duplicity.

Since they have been included in the business plan for the asset valuation in terms of Fair Value, no adjustment is necessary in this regard, so duplicity is prevented.

Section 6 Valuation Result

1. Executive Summary
2. Purpose and Scope
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7. Conclusion

6. VALUATION RESULT

Based on the information provided, the valuations carried out, and the valuation process described in the previous sections, we can conclude that the value of the company TESTA RESIDENCIAL SOCIMI would be determined as follows:

EPRA NAV (thousand €)		LOW RANGE	MID RANGE	HIGH RANGE
Equity Value (12/31/2017)	①	1,225,659	1,394,524	1,563,389
Concession Capital Gain	②	6,714	8,361	10,008
Other Financial Liabilities	③	355,565	355,565	355,565
Coverages	④	120	120	120
Deferred Assets & Liabilities	⑤	94,870	94,870	94,870
VAT Payment	⑥	-18,842	-18,842	-18,842
Adjusted Equity (EPRA NAV)	①+②+③+④+⑤+⑥	1,664,086	1,834,598	2,005,111

Subsequent Events

After the closing of the valuation, the acquisition described below has taken place.

In the context of the financing of the Building Center Portfolio through the aforementioned mortgage loans and in accordance with **Spain's** Order ECO / 805/2003 of 27th March, on regulations for the appraisal of property and specific rights for specific financial purposes (in compliance with "Order ECO"), nine independent real estate appraisers appointed by the financial lenders, CaixaBank, SA, valued the 38 buildings acquired that make up the

Building Center Portfolio, arriving at the opinion that the total Market Value of **these properties was of € 249 million as of May 2018**. Following Order ECO, which generally adopts a more conservative valuation approach than the RICS methodology used by Savills, a value increase of the Building Centre Portfolio of approximately 20% is observed compared to **Savills'** valuation contracted by the Company, as of 30th October 2017. As it is highlighted, this report analyzes exclusively the Building Center portfolio and has been requested by the financing banks (not Testa). As such, it should not be extrapolated to the total portfolio or be seen as an indication of value of the entire portfolio as of 30 June 2018.

Finally, in view of the conclusion achieved, it is necessary to note the following observations.

Observations:

- Our conclusion must be interpreted in the context, scope and procedures used in our work, with no additional liability arising from such conclusion other than the reasonableness of the valuation procedures analysed and the results obtained.
- Our work is of an independent and external nature. Therefore, the result achieved is not connected whatsoever with the opinions of agents linked to the Company or others.
- The result of this work is significantly linked both to the veracity of the information provided and also that provided for the independent real estate asset appraisals. In this sense, both the balance sheet and the information provided by the petitioner

is considered to be closely linked to the results obtained, which conditions the result to be in accordance with the accounting reality of the company being valued.

- No verification has been conducted on the balance sheet figures with supporting documentation, such as deeds, certificates of deposit or checking of accounting entries, since this verification exercise does not fall within the scope of the work requested.
- With regards to items for which the Book Value is considered to be the best approach to value, the criterion is adopted based on the nature of the element that is included in each item.
- For the calculation of the tax impact on the capital gains being analysed, a general rate has been estimated based on a reasoned procedure. In turn, the consequences of the rate used must be taken into account by the potential shareholders, as well as the tax implications that may arise.

Section 7 Conclusion

1. Executive Summary
2. Purpose and Scope
3. Company Information
4. Methodology Used
5. Valuation Process
6. Valuation Result
7. Conclusion

7. CONCLUSION

GESVALT SOCIEDAD DE TASACIÓN, S.A. ([gesvalt](#)), listed in the Bank of Spain's registry of companies specializing in appraisals under No. 4.455 on 27th May 1994, has prepared this report on the estimation of the fair value of the company TESTA RESIDENCIAL SOCIMI as at 31st December 2017, in accordance with the context that the company itself is developing for becoming listed on the Alternative Stock Market (MAB).

Our opinion is based on an objective and generally accepted methodology, using the information provided by the petitioner.

EPRA NAV (thousand €)		LOW RANGE	MID RANGE	HIGH RANGE
Equity Value (12/31/2017)	①	1,225,659	1,394,524	1,563,389
Concession Capital Gain	②	6,714	8,361	10,008
Other Financial Liabilities	③	355,565	355,565	355,565
Coverages	④	120	120	120
Deferred Assets & Liabilities	⑤	94,870	94,870	94,870
VAT Payment	⑥	-18,842	-18,842	-18,842
Adjusted Equity (EPRA NAV)	①+②+③+④+⑤+⑥	1,664,086	1,834,598	2,005,111

Assumptions and Limiting Conditions:

- Our analysis has been based substantially on the information provided by the petitioner, so it is conditioned by the assumption that no financial, patrimonial or operational variations not included in this information have occurred.
- The value conclusions expressed herein are closely linked to the observations included in chapter 5 of this document, which complement and limit the scope of the work carried out.

- Likewise, our opinion does not consider a particular interest; it is about the adoption of a value as reasonable, approximate to the market price, which does not consider the subjective components, due to synergies, competitive, logistical, opportunity or speculative advantages, which intervene in the composition of the closing price of any sale transaction.
- The approach to the valuation being conducted is, in any case, based on the going concern principle, without considering possible changes in the operation management policy. In this sense, the final value is obtained from the current vision of the investment in the Company and the sector in which it is located, based on reasoned and justifiable assumptions.
- The valuation result is conditioned on compliance with the sections included in chapter 5 of this report, specifically in sections 5.2 and 5.3.

GESVALT SOCIEDAD DE TASACIÓN, S.A. assumes no obligation or liability arising from the ownership or responsibility derived from the property valued, nor are there specific interests in such property. The fee received for the completion of this report is not contingent upon the conclusions of value reached herein.

Madrid, 16 July 2018

GESVALT SOCIEDAD DE TASACIÓN, S.A



Victoria García Sánchez
Consultor Advisory Services



Roberto Guinales Agustín
Business & Intangible Assets Manager
Advisory Services
CEVE® Miembro IEAF



Sergio Espadero Colmenar
Director Advisory Services
Representante de la Sociedad



ANNEX VI – REPORT ON THE ORGANISATIONAL STRUCTURE OF THE COMPANY

Appendix IV. Report on the organisational structure of the Company

- 1. CORPORATE GOVERNANCE STRUCTURE**
- 2. INTERNAL CONTROL SYSTEM**
- 3. DISCLOSURE OF PUBLIC INFORMATION**
- 4. INDEPENDENT EXPERTS WORKING FOR THE COMPANY**

1. CORPORATE GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

The administration of the Company is entrusted to a Board of Directors consisting of eleven (11) members, three of them being independent. Directors may serve for a maximum term of four (4) years.

The Board has the widest powers to manage the Company, and except for those matters exclusively within the purview of the shareholders at a general shareholders' meeting, is the highest decision-making body of the Company.

The Board appointed Mr. Wolfgang Beck as Chief Executive Officer and authorized him to perform all the duties that the Board may delegate pursuant to the law. However, the Board of Directors is responsible for supervising the performance of its delegated bodies and managers.

The Company's Board of Directors currently consists of the following eleven (11) members:

- i. Mr. Ignacio Moreno Martínez (Chairman, Independent)
- ii. Mr. Miguel Oñate Rino (Vice-Chairperson, Proprietary)
- iii. Mr. Wolfgang Beck (CEO, executive)
- iv. Mr. Javier Alarcó Canosa (Independent)
- v. Mr. Antonio Hernández Mancha (Independent)
- vi. Ms. Azucena Viñuela Hernández (Independent)
- vii. Mr. Jose María Xercavins Lluch (Independent)
- viii. Finanzas y Cartera Uno, S.L.U., represented by Ms. Isabel Antúnez Cid (Proprietary)
- ix. Altamira Santander Real Estate, S.A., represented by Mr. Jaime Rodríguez Andrade (Proprietary)
- x. Mr. Carlos Manzano Cuesta (Proprietary)
- xi. Mr. Cesáreo Rey-Baltar Oramas (Proprietary)

The Secretary Non-director is Mr. Lucas Osorio Iturmendi (appointed at the meeting of the Board of Directors held on 20/10/2016).

Committees

An Audit Committee has been created within the Board of Directors, consisting of five (5), three proprietary and two independent, Directors. Audit Committee's main task is to assist the Board of Directors in the supervision of the Company's financial information and the performance of their duty of control over the Company

The main task of the Committee, among others, is to assist the Board of Directors in supervising both the financial information and the performance of its duty of control over the Company.

In addition, pursuant to the Company's bylaws, the Board of Directors may at any time create any committees it considers appropriate.

MANAGEMENT OF THE COMPANY

The Company is internally managed and has a fully-integrated and highly-scalable operating platform with significant resources and extensive experience that allows the Company to effectively and efficiently acquire, renovate, lease, maintain and manage its rental portfolio.

The Company's platform consists of more than 80 highly skilled full-time employees, making this dedicated team one of the largest of its type in Spain. The operating platform is mostly centralized in Madrid, where corporate headquarters and the majority of its properties are located.

The Company also operates property management offices in San Sebastián, Barcelona, Valladolid and Las Palmas de Gran Canaria, since it believes that the close proximity to and knowledge of such local markets by regional offices facilitate the management of the regional portfolios and support the generation of new business opportunities.

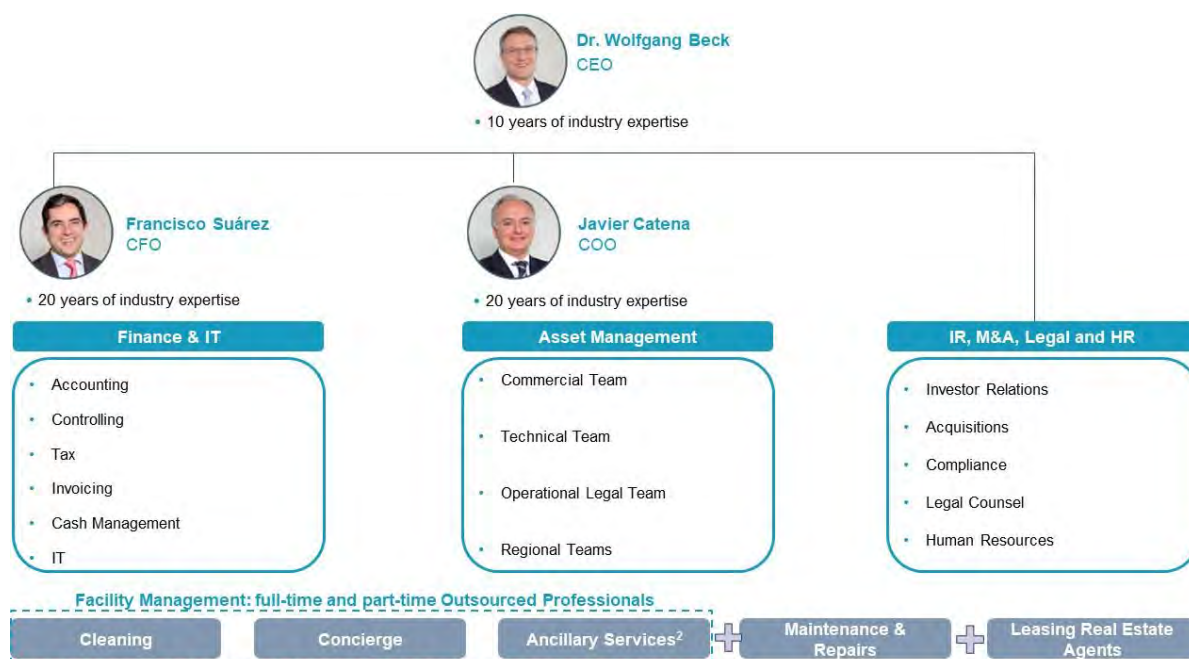
The Company's platform was structured to maximize its scalability and currently comprises three key areas:

- i. Asset Management;
- ii. Finance & IT;
- iii. Investor Relations, Mergers and Acquisitions, Legal and Human Resources.

These three areas are fully coordinated to provide services along the most relevant parts of the value chain. In addition, the in-house platform is supported by outsourcing service providers, currently four of them, who carry out auxiliary third-party services (such as handyman services, electrician services, etc.). The Company also works with maintenance and repair service providers and with various leasing real estate agencies in the commercialization of its portfolio.

With the belief that its highly methodological approach supports the Company's ability to address different operating and strategic challenges, in an efficient and timely manner, Testa has standardized various key processes in its business operations to ensure a smooth and efficient workflow and facilitate the continuous interactions among the platform units.

The chart below reflects the organizational structure of the Company as of the date of this report, as well as the key responsibilities of each of our platform units:



Additional information on each of the Company's business areas is included below:

- i. **Asset management:** This is the largest business area in the platform and is made up of experienced professionals who are responsible for carrying out the full panoply of its active asset management initiatives.

Among its tasks, the asset management area is responsible for the commercialization of the portfolio (in close collaboration with external leasing real estate agencies) and the customer service functions. It is also responsible for the maintenance and modernization of the Company's portfolio and the optimization of property operating expenses. The area includes commercial and technical teams, as well as professionals who are specialized in and dedicated to retail assets.

- ii. **Finance and IT:** The Finance team is primarily responsible for financial controlling functions, including the supervision of financial accounting, internal reporting, auditing, and treasury and budget control. It seeks to ensure that the Group has sufficient available liquidity to fund both its operations and its potential investment opportunities. In particular, it regularly monitors debt maturities, interest rate evolution, refinancing and hedging opportunities, and potential opportunities for the overall improvement of the Company's financing structure. It also monitors compliance with undertakings and covenants included in financing agreements. Moreover, the Finance team is responsible for rent collection and the management of outstanding rent.

The IT team is responsible for overseeing the IT infrastructure needed to support the Company's platform and the adequate provision of IT related services, which are externalized. It is also responsible for designing and overseeing the transition from Merlin Properties' IT platform to the in-house IT platform, which is due to be completed by the end of 2018.

- iii. **Investor Relations, Mergers and Acquisitions, Legal and Human Resources:** The Investor Relations manager is responsible for maintaining a close dialogue with investors and analysts.

The M&A area is primarily responsible for the identification of new investment opportunities and the smooth execution of the acquisitions. In particular, the M&A area is generally responsible for identifying properties that fit the Company's business strategy, carrying out a comprehensive business plan analysis on

such assets, coordinating the due diligence process and negotiating acquisition terms. In analyzing potential acquisitions, the M&A area works in close coordination with Finance team, which prepares a detailed cost and financing plan for the relevant acquisition, and with Legal team, which carries out the legal due diligence and the negotiation of any agreement.”.

The Legal team is involved both in investment and in asset management decisions, it oversees matters related to corporate structure and corporate governance and defines the Company’s policies, procedures and actions to ensure compliance with laws and regulations. It is also involved in the negotiation of agreements (including acquisition and lease agreements) and legal due diligence, which is typically undertaken with the support of external legal counsel. The Legal team is also responsible for the day-to-day supervision and monitoring of all legal matters related to the Company, such as legal proceedings and permits and licenses, either directly or through the supervision of external counsel.

The Human Resources team is responsible for workforce planning, hiring (recruiting and selection), training, orientation, conflict resolution, and payroll and benefits management. It seeks to develop, implement and nurture a culture built around the acquisition and development of industry leading talent.

2. INTERNAL CONTROL SYSTEM

CONTROL ENVIROMENT

The Board of Directors is responsible for maintaining and reviewing the effectiveness of risk management and the Company’s internal control systems, and for determining the nature and extent of the significant risks that the Company is willing to take in order to achieve its strategic objectives. These procedures can only provide reasonable, but not absolute assurance, against material misstatement, errors, losses or fraud.

Led by the Board, the management designs procedures and implements control system both related to the risk management system (SGR) and the internal control over financial reporting systems (SCIIF).

The Company has the following tools in order to ensure that its control environment is adequate:

- i. Setting up of objectives and strategies approved by the Board;
- ii. Compliance Unit;
- iii. Internal Audit & Risk Management Unit
- iv. Code of Conduct;
- v. Whistleblowing channel;
- vi. Sanctions regime;
- vii. Training to employees and members of the Board;
- viii. Periodically compliance risk assessment;
- ix. Periodically planning and budgeting exercises;
- x. Updated powers of attorney;
- xi. Internal rules of the Board of Directors;
- xii. Anti-bribery policy, among other policies.

RISK ASSESSMENT

The Company is exposed to various risks inherent to the market in which it operates and to the activities it carries out, which may prevent the Company from achieving its objectives and executing its strategies in a successful manner.

The top management team of the Company has carried out business risk assessments. These business risks were clearly displayed to the participants, and subsequently assessed in regards to: the likelihood of occurrence of the risk and the potential consequence that the risk may have on the Company, considering the current strength of the controls defined for each risk.

Within the Company, the risk management structure, objectives, methodology and associated processes to identify, assess, control, monitor and report business risks have been documented in the “*SGR Policy and Manual*”.

Related to Financial Report internal control, the Company has implemented an internal control system, whose main goal is to assure the accuracy of financial reports addressed to interest groups, shareholders and supervisors. To achieve this goal, key stakeholders and the SCIIF Internal Control Unit analyze the procedures, processes and phases undertaken in order to prepare financial reports, as well as defining controls and taking enhancement or remediation actions. The Audit Unit periodically reviews the effectiveness of the overall process.

The most relevant risks related to the lack of accuracy of financial information upon material criteria are the following:

- Revenue;
- Purchase;
- Close, consolidation, and reporting;
- Treasury and finance;
- Valuation of property portfolio;
- Special tax regime of Real Estate Investment Trust (REIT) or SOCIMI in Spain.

Within the Company, Financial Report internal control objectives, methodology and associated processes have been documented in the “*SCIIF Manual*”.

In any case, the risk management process provided by the Company is based on COSO Standards, a widely accepted internal control and risk management methodology.

3. DISCLOSURE OF PUBLIC INFORMATION

The information provided to the market is prepared by the Managers and reviewed and, when applicable, approved by the Board or the CEO. Should it be necessary, the information will be made available to shareholders for its review and approval.

The information disclosed to the market includes, among others:

- i. The periodic reporting (be it on an annual or semi-annual basis) needed under the terms of the MAB’s regulations;
- ii. Investor-relevant information, among others, relevant facts;
- iii. Information on shareholders’ and directors’ significant stakes, under the terms of the MAB’s regulations and the current legislation; and
- iv. Any other information that may be necessary according to the Company’s progress or required by either the Company’s regulations or Bylaws.

INFORMATION TREATMENT AND CONTROL

The Company has the following tools in order to control the information it provides to the market:

- The Company, with the approval of the Board of Directors or the CEO, when applicable, will proceed to publish information considered to be relevant or of interest to the market through the proper information channels, listed below, once the information has been verified to coincide:
 - i. **The Mercado Alternativo Bursátil’s (MAB) website:**
(<https://www.bolsasymercados.es/mab/esp/Home.aspx>).
In this website, the Company will publish the relevant facts when mandatory, as well as other information required by applicable legislation.

- ii. **The Company's Corporate Website:** Testa Residencial, SOCIMI, S.A.'s website is the following: <http://www.testaresidencial.com/>
Through this website, which will be permanently updated, the Company will disclose, in accordance with the transparency principle, not only the information that may be of interest to shareholders and investors, but also the information that it sends to MAB or other official bodies and whose publishing is legally obligatory.
 - iii. **The Investor Relations Service** through the (ir@testainmo.com).
 - iv. **The General Shareholders' Meeting:** Shareholders may exercise their information rights prior to and at the General Shareholders' Meeting in accordance with the Law and the Company's corporate governance rules.
 - v. **The Media.** The Company, through its Board of Directors or its CEO, will coordinate, analyze and manage the contact and the relationship with the media.
- In order to ensure the coordination of information flows, any presentation and communication, to either the media or the market, must be previously reviewed and approved by the CEO or the CFO and, when the nature of the information so requires, by the Audit Committee or the Board of Directors.
 - On an operational level, the Company, through its Investor Relations Manager, a figure under the Company's CEO, will coordinate and manage the contact and relationship with shareholders and investors and, as consequence, will be the natural communication channel between the Company, its shareholders and investors, and the market.



4. INDEPENDENT EXPERTS WORKING FOR THE COMPANY

The Company has the following independent experts in the field of its competences:

- Audit of accounts:
The Company's yearly Financial Statements are audited by Deloitte, S.L.

Legal Counsel:
Uría Menéndez Abogados, S.L.
- Nominated advisor:
Renta 4 Corporate, S.A.
- Independent expert for property valuation:
Savills Consultores Inmobiliarios, S.A.

**ANNEX VII – COMMUNICATION TO THE TAX AUTHORITIES OF THE APPLICATION OF THE
SOCIMI REGIME**

		Registro General de la AEAT	
		RGTO. D.C.G.C. MADRID	
TESTA RESIDENCIAL SA			
Nº registro:		RGE / 02977158 / 2016	
Fecha:	27/09/2016	Hora:	10:50

**A LA AGENCIA ESTATAL DE ADMINISTRACIÓN TRIBUTARIA
COMUNICACIÓN DEL ACUERDO ADOPTADO MEDIANTE EL QUE SE OPTA
POR LA APLICACIÓN DEL RÉGIMEN FISCAL ESPECIAL DE LAS
SOCIEDADES ANÓNIMAS COTIZADAS DE INVERSIÓN EN EL MERCADO
INMOBILIARIO PREVISTO EN LA LEY 11/2009**

D. Fernando Lacadena Azpeitia, con NIF número 18.158.860 S, en nombre y representación de Testa Residencial, S.A.U. sociedad con domicilio social en Madrid, Paseo de la Castellana 83-85, inscrita en el Registro Mercantil de Madrid, Hoja M-272946, Tomo 16114, Folio 44, y provista de N.I.F. B-82.865.890 ("TESTA RESIDENCIAL"), debidamente facultado para realizar la presente comunicación en virtud del Acuerdo adoptado por el socio único de la Sociedad, TESTA INMUEBLES EN RENTA SOCIMI, S.A., certificación del cual se adjunta como **DOCUMENTO UNO**, comparece y

EXPONE

- I. Que con fecha 22 de septiembre de 2016, el Accionista Único de TESTA RESIDENCIAL ha acordado optar por la aplicación del régimen fiscal especial en el Impuesto sobre Sociedades propio de las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario ("SOCIMI"), previsto en la Ley 11/2009, de 26 de octubre, con efectos a partir del ejercicio social iniciado el 1 de enero de 2016 y que concluye el 31 de diciembre de 2016.
- II. Que se adjunta a la presente comunicación como DOCUMENTO UNO, certificación del acuerdo del Accionista Único adoptado con fecha 22 de septiembre de 2016 por el que TESTA RESIDENCIAL opta por la aplicación del régimen de SOCIMI, con efectos a partir del ejercicio social iniciado el 1 de enero de 2016.
- III. Que, conforme a lo dispuesto en el apartado 1 del artículo 8º de la Ley 11/2009, TESTA RESIDENCIAL comunica mediante el presente escrito a la Agencia Estatal de Administración Tributaria la opción por la aplicación del régimen especial de SOCIMI, antes de los tres últimos meses previos a la conclusión del período impositivo que finaliza el 31 de diciembre de 2016, por lo que el régimen fiscal especial será de aplicación en los períodos impositivos iniciados a partir del 1 de enero de 2016.
- IV. Que la Disposición Transitoria Primera de la Ley de SOCIMI permite la aplicación del régimen fiscal especial 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, y que es intención de TESTA RESIDENCIAL, conforme al acuerdo adoptado por el Accionista Único, dar cumplimiento pleno en tiempo y forma a los mencionados requisitos.

En virtud de lo expuesto,

SOLICITA

Que se tenga por presentado este escrito en tiempo y forma junto con los documentos que se acompañan, se sirva a admitirlo, y en su virtud tenga por comunicada a los efectos legales oportunos, el acuerdo por el que se opta por la aplicación del régimen fiscal especial en el Impuesto sobre Sociedades de las SOCIMI en los períodos impositivos iniciados a partir del 1 de enero de 2016.

En Madrid, a 26 de septiembre de 2016

A handwritten signature in black ink, consisting of a large, stylized 'F' followed by 'Lacadena' and 'Azpeitia' in a cursive script.

Fernando Lacadena Azpeitia

DOCUMENTO UNO

D. Francisco Rivas González, en su condición de Secretario del Consejo de Administración de **Testa Residencial, S.A.U.**, sociedad con domicilio en Madrid, Paseo de la Castellana 83-85, inscrita en el Registro Mercantil de Madrid al Tomo 16.114, Folio 44, Sección 8ª, Hoja M-272.946, Inscripción 1ª y con Código de Identificación Fiscal (C.I.F.) B-82.865.890 (la *Sociedad*),

CERTIFICA

I. Que entre las Actas de la Sociedad figura una correspondiente a las decisiones adoptadas por el socio único de la Sociedad con fecha 22 de septiembre de 2016, y cuyo contenido, transcrito parcialmente de manera literal, sin que en lo omitido haya nada que modifique o contradiga lo aquí expuesto, es el siguiente:

“ACTA DE CONSIGNACIÓN DE DECISIONES DEL SOCIO ÚNICO DE TESTA RESIDENCIAL, S.A.U.

En el domicilio social, el día 22 de septiembre de 2016, **TESTA INMUEBLES EN RENTA SOCIMI, S.A. (Testa o el Socio Único)**, socio único de la sociedad **TESTA RESIDENCIAL S.A.U.**, sociedad con domicilio en Madrid, Paseo de la Castellana 83-85, inscrita en el Registro Mercantil de Madrid al Tomo 16.114, Folio 44, Sección 8ª, Hoja M-272.946, Inscripción 1ª y con Código de Identificación Fiscal (C.I.F.) B-82.865.890 (la *Sociedad*), ejerciendo las competencias de la Junta General de Socios, de conformidad con lo dispuesto en el artículo 15 de la Ley de Sociedades de Capital, adopta, por medio de su válido representante, D. FERNANDO LACADENA AZPEITIA, las siguientes

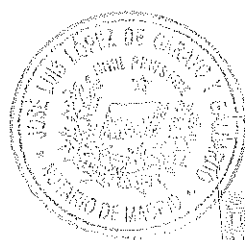
DECISIONES

PRIMERA.- *Aplicación a la Sociedad del régimen fiscal especial de las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMIs).*

Con vistas a beneficiarse de la aplicación a la Sociedad del régimen fiscal especial en el Impuesto sobre Sociedades propio de las sociedades anónimas cotizadas de inversión en el mercado inmobiliario (el *Régimen de SOCIMIs*), y a fin de dar cumplimiento a las exigencias establecidas al efecto en la Ley 11/2009, de 26 de octubre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario, en la redacción dada por la Ley 16/2012, de 27 de diciembre (la *Ley de SOCIMIs*), el Socio Único decide optar por la aplicación a Testa Residencial, S.A.U., con efectos a partir del ejercicio social iniciado el 1 de enero de 2016, del Régimen de SOCIMIs previsto en la Ley de SOCIMIs.

El Socio Único decide delegar las más amplias facultades en el Consejo de Administración, con expresas facultades de sustitución, para:

- a. llevar a efecto los trámites necesarios, realizar cuantas actuaciones sean precisas, incluyendo la comunicación de la opción a la Delegación de la Agencia Estatal de Administración Tributaria de Madrid, formalizar cualesquiera documentos en nombre y representación de Testa Residencial, S.A.U., y presentar cuanta documentación sea pertinente ante cualesquiera organismos o entidades, públicos o privados; y
- b. de conformidad con lo previsto en la Disposición Transitoria Primera de la Ley de SOCIMIs, iniciar las actuaciones y trámites necesarios para dar cumplimiento pleno en tiempo y forma a los requisitos previstos en la Ley de SOCIMIs.



(...).

CUARTA.- Delegación de facultades.

El Socio Único decide facultar a cualquiera de los miembros del Consejo de Administración, así como, expresamente, al Secretario, para que cualquiera de ellos, por sí solo, verifique y lleve a efecto cuantos actos, otorgamientos, legalizaciones y elevaciones a público sean necesarios en orden a la formalización e inscripción de los acuerdos anteriores, otorgando cualesquiera documentos, incluyendo las escrituras públicas que resulten convenientes, incluso de rectificación, subsanación o aclaración de defectos subsanables que fuesen necesarias a la vista de la calificación verbal o escrita del Sr. Registrador.

QUINTA.- Redacción y aprobación del acta

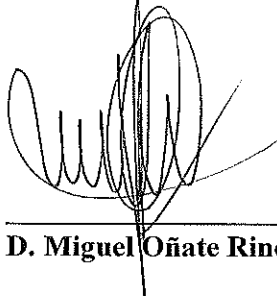
El Socio Único, por medio de su representante, procede a dar redacción y aprobar el presente acta de consignación de decisiones.

La presente acta se extiende en cumplimiento de lo dispuesto en el artículo 15 de la Ley de Sociedades de Capital.”

II. Que el Acta fue aprobada y firmada por el representante del socio único de la Sociedad.

Y para que así conste, y a todos los efectos oportunos, expido la presente certificación, con el Visto Bueno del Sr. Presidente, en Madrid a 22 de septiembre de 2016.

Vº Bº EL PRESIDENTE



D. Miguel Oñate Rino

EL SECRETARIO



D. Francisco Rivas González

YO, JOSE LUIS LOPEZ DE GARAYO Y GALLARDO, Notario de esta Capital y Colegio, DOY FE: Que considero legítimas la(s) firma(s) y rúbrica(s) que anteceden de DON MIGUEL OÑATE RINO y DON FRANCISCO RIVAS GONZALEZ, por cotejo con otras indubitadas.-

En Madrid, a veintiséis de Septiembre de dos mil dieciséis.-
Libro 3. Asiento 876.-

SELLO DE
LEGITIMACIONES Y
LEGALIZACIONES

NIHIL PRIUS FIDE

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REPÚBLICA
NOTARIAL

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ANNEX VIII – EQUIVALENCE TABLE

**TABLA DE EQUIVALENCIAS DEL FOLLETO (PROSPECTUS) RELATIVO A LA
INCORPORACIÓN A NEGOCIACIÓN DE LAS ACCIONES DE TESTA RESIDENCIAL, SOCIMI,
S.A. EN EL MAB-SOCIMI**

Documento Informativo de Incorporación al MAB

Documento Informativo de Incorporación al MAB, anexo I de la Circular 9/2017 del 21 de diciembre de 2017

Contenido		Apartado	Página	Comentario
1.	RESUMEN			
1.1	Responsabilidad sobre el Documento	Véase el apartado “ <i>Important Information</i> ” (Información Importante).	53	
1.2	Información utilizada para la determinación del precio de referencia por acción	Véase el apartado “ <i>Additional Information</i> ” (Información adicional).	196-198	
1.3	Principales factores de riesgo	Véase el apartado “ <i>Risk factors</i> ” (Factores de riesgo).	11-49	
1.4	Breve descripción de la compañía, del negocio del emisor y de su estrategia	Véase el apartado “ <i>Business</i> ” (Negocio).	59-66	
1.5	Información financiera, tendencias significativas y, en su caso, previsiones o estimaciones. Recogerá las cifras claves que resuman la situación financiera del emisor	Véanse los apartados “ <i>Selected financial information</i> ” (Información financiera seleccionada) y “ <i>Operating and financial review</i> ” (Información operativa y financiera).	107-109, 123-146	
1.6	Administradores y altos directivos del emisor	Véase el apartado “ <i>Management and board of directors</i> ” (Equipo directivo y Consejo de Administración).	147-159	
1.7	Composición accionarial	Véase el apartado “ <i>Significant shareholders</i> ” (Accionistas significativos).	160	
1.8	Información relativa a las acciones	Véase el apartado “ <i>Description of share capital</i> ” (Descripción del capital social).	169-171	
1.9	Información adicional	N/A	N/A	
2.	INFORMACIÓN GENERAL RELATIVA A LA COMPAÑÍA Y SU NEGOCIO			
2.1	Persona o personas que deberán tener la condición de administrador, responsables de la información contenida en el Documento. Declaración por su parte de que la misma, según su conocimiento, es conforme con la realidad y de que no aprecian ninguna omisión relevante	Véase el apartado “ <i>Important Information</i> ” (Información Importante).	53	
2.2	Auditor de Cuentas de la Sociedad	Véase el apartado “ <i>Independent Auditors</i> ” (Auditores independientes).	181	
2.3	Identificación completa de la Sociedad (datos registrales, domicilio...) y objeto social	Véanse los apartados “ <i>Description of share capital</i> ” (Descripción del capital social) y “ <i>Additional Information</i> ” (Información adicional).	169, 200	

2.4	Breve exposición sobre la historia de la empresa, incluyendo referencia a los hitos más relevantes	Véase el apartado “ <i>Description of share capital</i> ” (Descripción del capital social). Véase el apartado “ <i>Business</i> ” (Negocio).	169-171 65-66	
2.5	Razones por las que se ha decidido solicitar la incorporación a negociación en el MAB-SOCIMI	Véase el apartado “ <i>Reasons to request admission to listing on the MAB-SOCIMP</i> ” (Razones por las que se ha decidido solicitar la incorporación a negociación en el MAB-SOCIMI).	104	
2.6	Descripción general del negocio del Emisor, con particular referencia a las actividades que desarrolla, a las características de sus productos o servicios y a su posición en los mercados en los que opera Informe de valoración realizado por un experto independiente de acuerdo con criterios internacionalmente aceptados, salvo que dentro de los seis meses previos a la solicitud se haya realizado una colocación de acciones o una operación financiera que resulten relevantes para determinar un primer precio de referencia para el inicio de la contratación de las acciones de la sociedad.			
2.6.1	Descripción de los activos inmobiliarios, situación y estado, periodo de amortización, concesión o gestión. En su caso, se ofrecerá información detallada sobre la obtención de licencias de edificación del suelo urbano consolidado. También se informará del estado en que se encuentra la promoción del mismo (contrato con la empresa constructora, avance de las obras y previsión de finalización, etc.).	Véase el apartado “ <i>Business</i> ” (Negocio). Véase el apartado “ <i>Related party transactions</i> ” (Operaciones vinculadas).	66-85 88-95, 163-168 96 96-98	Descripción de activos Gestión de activos Pólizas de seguro Duración de contratos
2.6.2	Eventual coste de puesta en funcionamiento por cambio de arrendatario	Véase el apartado “ <i>Business</i> ” (Negocio).	93	
2.6.3	Información fiscal	Véase el apartado “ <i>Spanish SOCIMI regime and taxation information</i> ” (Régimen fiscal de SOCIMI e información fiscal).	182-195	
2.6.4	Descripción de la política de inversión y de reposición de activos. Descripción de otras actividades distintas de las inmobiliarias	Véase el apartado “ <i>Business</i> ” (Negocio).	93	
2.6.5	Informe de valoración realizado por un experto independiente de acuerdo con criterios internacionalmente aceptados, salvo que dentro de los seis meses previos a la solicitud se haya realizado una colocación de acciones o una operación financiera que resulten relevantes para determinar un primer precio de referencia para el inicio de la contratación de las acciones de la Sociedad	Véase el apartado “ <i>Important information</i> ” (Información importante). Véase el apartado “ <i>Additional Information</i> ” (Información adicional).	55-58 196-198	Valoración de activos Valoración del equity
2.7	Estrategia y ventajas competitivas del Emisor	Véase el apartado “ <i>Business</i> ” (Negocio).	60-65	

2.8	Breve descripción del grupo de sociedades del Emisor. Descripción de las características y actividad de las filiales con efecto significativo en la valoración o situación del Emisor	Véase el apartado “ <i>Additional Information</i> ” (Información adicional).	200	
2.9	En su caso, dependencia con respecto a patentes, licencias o similares	Véase el apartado “ <i>Business</i> ” (Negocio).	96	
2.10	Nivel de diversificación (contratos relevantes con proveedores o clientes, información sobre posible concentración en determinados productos...)	Véase el apartado “ <i>Business</i> ” (Negocio).	70, 96-98	
2.11	Referencia a los aspectos medioambientales que puedan afectar a la actividad del Emisor	Véase el apartado “ <i>Additional information</i> ” (Información adicional).	201	
2.12	Información financiera			
2.12.1	Información financiera correspondiente a los últimos tres ejercicios (o al periodo más corto de actividad del Emisor), con el informe de auditoría correspondiente a cada año. Las cuentas anuales deberán estar formuladas con sujeción a las Normas Internacionales de Información Financiera (NIIF), estándar contable nacional o US GAAP, según el caso, de acuerdo con la Circular de Requisitos y Procedimientos de Incorporación. Deberán incluir, a) balance, b) cuenta de resultados, c) cambios en el neto patrimonial; d) estado de flujos de tesorería y e) políticas contables utilizadas y notas explicativas	Véase el apartado “ <i>Operating and financial review</i> ” (Información operativa y financiera).	121-138	
2.12.2	En el caso de existir opiniones adversas, negaciones de opinión, salvedades o limitaciones de alcance por parte de los auditores, se informará de los motivos, actuaciones conducentes a su subsanación y plazo previsto para ello	Véase el apartado “ <i>Important information</i> ” (Información importante).	53	
2.12.3	Descripción de la política de dividendos	Véase el apartado “ <i>Dividends and dividend policy</i> ” (Dividendo y política de dividendo).	105-106	
2.12.4	Información sobre litigios que puedan tener un efecto significativo sobre el Emisor	Véase el apartado “ <i>Business</i> ” (Negocio).	95	
2.13	Información sobre tendencias significativas en cuanto a producción, ventas y costes del Emisor desde el cierre del último ejercicio hasta la fecha del Documento Informativo	Véase el apartado “ <i>Operating and financial review</i> ” (Información operativa y financiera).	113-121	
2.14	Principales inversiones del Emisor en cada uno de los tres últimos ejercicios y ejercicio en curso cubierto por la información financiera aportada (ver puntos 2.12 y 2.13) y principales inversiones futuras ya comprometidas a la fecha del Documento Informativo. En el caso de que exista oferta de suscripción de acciones previa a la incorporación, descripción de la finalidad de la misma y destino de los fondos que vayan a obtenerse	Véase el apartado “ <i>Business</i> ” (Negocio).	65-66	

2.15	<p>Información relativa a operaciones vinculadas</p> <p>Información sobre las operaciones vinculadas significativas según la definición contenida en la Orden EHA/3050/2004, de 15 de septiembre, realizadas durante el ejercicio en curso y los dos ejercicios anteriores a la fecha del Documento Informativo de Incorporación.</p> <p>a) Operaciones realizadas con los accionistas significativos</p> <p>b) Operaciones realizadas con administradores y directivos</p> <p>c) Operaciones realizadas con personas, sociedades o entidades del grupo</p>	Véase el apartado “ <i>Related party transactions</i> ” (Operaciones vinculadas).	163-168	
2.16	<p>En el caso de que, de acuerdo con la normativa del Mercado Alternativo Bursátil o a voluntad del emisor, se cuantifiquen previsiones o estimaciones de carácter numérico sobre ingresos y costes futuros (ingresos o ventas, costes, gastos generales, gastos financieros, amortizaciones y beneficio antes de impuestos) se deberá indicar expresamente que la inclusión de este tipo de previsiones y estimaciones implicará el compromiso de informar al mercado, a través del MAB, en cuanto se advierta como probable que los ingresos y costes difieren significativamente de los previstos o estimados. En todo caso, se considerará como tal una variación, tanto al alza como a la baja, igual o mayor a un 10 por ciento. No obstante lo anterior, por otros motivos, variaciones inferiores a ese 10 por ciento podrían ser significativas.</p> <p>Asimismo, se deberá incluir también lo siguiente</p>	N/A	N/A	
2.16.1	Que se han preparado utilizando criterios comparables a los utilizados para la información financiera histórica	N/A	N/A	
2.16.2	Asunciones y factores principales que podrían afectar sustancialmente al cumplimiento de previsiones o estimaciones	N/A	N/A	
2.16.3	Aprobación del Consejo de Administración de estas previsiones o estimaciones, con indicación detallada, en su caso, de los votos en contra	N/A	N/A	
2.17	Información relativa a los administradores y altos directivos del Emisor			
2.17.1	Características del órgano de administración (estructura, composición, duración del mandato de los administradores), que habrá de tener carácter plural	Véase el apartado “ <i>Management and board of directors</i> ” (Equipo directivo y Consejo de Administración).	147-151	

2.17.2	Trayectoria y perfil profesional de los administradores y, en el caso, de que el principal o los principales directivos no ostenten la condición de administrador, del principal o los principales directivos. En caso de que alguno de ellos hubiera sido imputado, procesado, condenado o sancionado administrativamente por infracción de la normativa bancaria, del mercado de valores, de seguros, se incluirán las aclaraciones o explicaciones, breves, que se consideren oportunas	Véase el apartado “ <i>Management and board of directors</i> ” (Equipo directivo y Consejo de Administración).	147-151	
2.17.3	Régimen de retribución de los administradores y de los altos directivos (descripción general que incluirá información relativa a la existencia de posibles sistemas de retribución basados en la entrega de acciones, en opciones sobre acciones o referenciados a la cotización de las acciones). Existencia o no de cláusulas de garantía o "blindaje" de administradores o altos directivos para casos de extinción de sus contratos, despido o cambio de control	Véase el apartado “ <i>Management and board of directors</i> ” (Equipo directivo y Consejo de Administración).	154-158	
2.18	Empleados. Número total (categorías y distribución geográfica)	Véase el apartado “ <i>Business</i> ” (Negocio).	95	
2.19	Número de accionistas y, en particular, detalle de accionistas principales, entendiendo por tales aquellos que tengan una participación superior al 5% del capital, incluyendo número de acciones y porcentaje sobre el capital. Asimismo se incluirá también el detalle de los administradores y directivos que tengan una participación igual o superior al 1% del capital social	Véase el apartado “ <i>Significant shareholders</i> ” (Accionistas significativos).	160	
2.20	Declaración sobre el capital circulante	Véase el apartado “ <i>Operating and financial review</i> ” (Información operativa y financiera).	135	
2.21	Declaración sobre la estructura organizativa de la Compañía	Véase el apartado “ <i>Additional information</i> ” (Información adicional).	200	
2.22	Declaración sobre la existencia Reglamento interno de conducta	Véase el apartado “ <i>Management and board of directors</i> ” (Equipo directivo y Consejo de Administración).	151-152	
2.23	Factores de riesgo	Véase el apartado “ <i>Risk factors</i> ” (Factores de riesgo).	11-49	
3.	INFORMACIÓN RELATIVA A LAS ACCIONES			
3.1	Número de acciones cuya incorporación se solicita, valor nominal de las mismas. Capital social, indicación de si existen otras clases o series de acciones y de si se han emitido valores que den derecho a suscribir o adquirir acciones. Acuerdos sociales adoptados para la incorporación	Véase el apartado “ <i>Description of share capital</i> ” (Descripción del capital social).	169-171	
3.2	Grado de difusión de los valores. Descripción, en su caso, de la posible oferta previa a la incorporación que se haya realizado y de su resultado	Véase el apartado “ <i>Significant shareholders</i> ” (Accionistas significativos).	160	

3.3	Características principales de las acciones y los derechos que incorporan. Incluyendo mención a posibles limitaciones del derecho de asistencia, voto y nombramiento de administradores por el sistema proporcional	Véase el apartado “ <i>Description of share capital</i> ” (Descripción del capital social).	169-180	
3.4	En caso de existir, descripción de cualquier condición a la libre transmisibilidad de la acciones estatutarias compatibles con la negociación en el MAB-SOCIMI	Véase el apartado “ <i>Significant shareholders</i> ” (Accionistas significativos) y “ <i>Description of share capital</i> ” (Descripción del capital social).	160-162, 175-176	
3.5	Pactos parasociales entre accionistas o entre la Sociedad y accionistas que limiten la transmisión de acciones o que afecten al derecho de voto	Véase el apartado “ <i>Significant shareholders</i> ” (Accionistas significativos).	160-162	
3.6	Compromisos de no venta o transmisión, o de no emisión, asumidos por accionistas o por la Sociedad con ocasión de la incorporación a negociación en el MAB-SOCIMI	Véase el apartado “ <i>Significant shareholders</i> ” (Accionistas significativos).	160-162	
3.7	Las previsiones estatutarias requeridas por la regulación del Mercado Alternativo Bursátil relativas a la obligación de comunicar participaciones significativas y los pactos parasociales y los requisitos exigibles a la solicitud de exclusión de negociación en el MAB y a los cambios de control de la Sociedad	Véase el apartado “ <i>Description of share capital</i> ” (Descripción del capital social).	177	
3.8	Descripción del funcionamiento de la Junta General	Véase el apartado “ <i>Description of share capital</i> ” (Descripción del capital social).	172-174	
3.9	Proveedor de liquidez con quien se haya firmado el correspondiente contrato de liquidez y breve descripción de su función	Véase el apartado “ <i>Additional information</i> ” (Información adicional).	198	
4.	OTRA INFORMACIÓN DE INTERÉS		N/A	N/A
5.	ASESOR REGISTRADO Y OTROS EXPERTOS O ASESORES			
5.1.	Información relativa al Asesor Registrado, incluyendo las posibles relaciones y vinculaciones con el Emisor	Véase el apartado “ <i>Additional information</i> ” (Información adicional).	198-199	
5.2.	En caso de que el Documento Informativo incluya alguna declaración o informe de tercero emitido en calidad de experto se deberá hacer constar, incluyendo cualificaciones y, en su caso, cualquier interés relevante que el tercero tenga en el Emisor	N/A	N/A	
5.3	Información relativa a otros asesores que hayan colaborado en el proceso de incorporación al MAB-SOCIMI	Véase el apartado “ <i>Additional information</i> ” (Información adicional).	199	