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SPANISH SECURITIES MARKET COMMISSION

HISPANIA ACTIVOS INMOBILIARIOS SOCIMI, S.A. (“Hispania” or the “Company”), in compliance with the reporting requirements set forth in article 17 of Regulation (EU) 596/2014 of 16 April 2014 on Market Abuse (Market Abuse Regulation) and article 228 of the restated text of the Spanish Securities Market Act, approved by Royal Legislative Decree 4/2015 of 23 October, hereby submits the following

SIGNIFICANT INFORMATION

Reference is made to the relevant facts dated 12 June 2018 and 13 June 2018 (under registration numbers 226,663 and 266,725, respectively) in which the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the “**CNMV**”) disclosed the authorisation and acceptance period of the voluntary takeover bid (the “**Bid**”) launched by Alzette Investment S.à r.l. (the “**Bidder**”) (a company controlled and fully owned by companies advised by subsidiaries of The Blackstone Group L.P.) for all the shares representing the share capital of Hispania at an initial price of 17.45 euros per share, and the relevant fact published on 28 June 2018 (under registration number 267,285) in which the CNMV disclosed the authorisation of the modification of the Bid submitted by the Bidder to increase consideration initially offered to 18.25 euros per share.

In accordance with article 134.4 of the restated text of the Spanish Securities Market Act, approved by Royal Legislative Decree 4/2015 of 23 October and articles 24 and 31.6 of Royal Decree 1066/2007 of 27 July on the rules applicable to takeover bids for securities, the Company submits the mandatory report from the Board of Directors, unanimously approved at the meeting held on the date hereof with the attendance of all its members, in relation to the voluntary takeover bid described in the preceding paragraph.

Madrid, 28 June 2018

Hispania Activos Inmobiliarios SOCIMI, S.A.

LEGAL WARNING

According to its articles of association, the Company has an indefinite duration. Nevertheless and according to the provisions in the explanatory prospectus published in relation to the admission to listing in the Spanish stock exchanges of its shares, the Company reminds its shareholders that the Value Return Strategy initially planned for the aforesaid implies the total settlement of the asset portfolio in the period of six (6) years following the date of admission to listing of its shares; and that without the need to previously submit such decision to the vote of the General Meeting (alternately, the favorable vote of the shareholders would be required if the Board of Directors proposes to permanently maintain and actively manage all or part of the asset portfolio of the Company).

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REPORT OF THE BOARD OF DIRECTORS OF HISPANIA ACTIVOS INMOBILIARIOS SOCIMI, S.A. IN RELATION TO THE TAKEOVER BID MADE BY ALZETTE INVESTMENT S.À. R.L.

The Board of Directors of Hispania Activos Inmobiliarios SOCIMI, S.A. (the “**Board of Directors**” and “**Hispania**” or the “**Company**”, respectively), in the meeting held on 28 June 2018 at its registered address with all its members in attendance, has drawn up and unanimously approved this report in connection with the voluntary takeover bid launched by Alzette Investment S.à. r.l. (“**Bidco**” or the “**Bidder**”), a company controlled and fully owned by venture capital funds advised by subsidiaries of The Blackstone Group L.P., for all shares of Hispania, such as it was modified on 22 June 2018 (the abovementioned bid and its modification, the “**Bid**”).

This report is issued pursuant to article 134.4 of the restated text of the Spanish Securities Market Act, approved by Royal Legislative Decree 4/2015 of 23 October (*Texto refundido de la Ley del Mercado de Valores aprobado por Real Decreto Legislativo 4/2015, de 23 de octubre*) (“**Securities Market Act**”), and articles 24 and 31.6 of Royal Decree 1066/2007 of July 27, on rules applicable to takeover bids for securities (*Real Decreto 1066/2007, de 27 de julio, de régimen de las ofertas públicas de adquisición de valores*) (“**Royal Decree 1066/2007**”).

The voluntary takeover bid, according to its original terms (that is, involving a cash consideration of 17.45 euros per share), was authorised by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (“**CNMV**”) on 12 June 2018, and such authorisation was disclosed by the CNMV by means of relevant fact (register number 266,663). On 13 June 2018, the Bidder published the first announcement of the Bid and the CNMV disclosed in a relevant fact on such date (register number 266,725) that the Bid’s acceptance period would be between 14 June 2018 and 13 July 2018. The deadline to publish the Board of Directors’ report in relation to the Bid would be 23 June 2018.

In a relevant fact published by the Bidder on 22 June 2018 (register number 267,075), the Bidder disclosed its decision to increase the initial price of the Bid to 18.25 euros per share payable in cash (the “**Modification of the Bid**”) and reported that Hispania had confirmed that it considered that the Bid at a price of 18.25 euros per share was attractive, that the Board of Directors would unanimously recommend the Bid and that all the directors of Hispania had agreed to accept the Bid in respect of their own beneficial shareholdings of, in aggregate, 48,108 shares representing approximately 0.044% of the issued share capital of Hispania. Likewise, the Bidder referred therein to the irrevocable undertaking of Azora Altus, S.A., Azora Capital, S.L. and Azora Gestión, S.G.I.I.C., S.A.U. (“**Azora Gestión**” or the “**Investment Manager**”) to accept the Bid in respect of their beneficial shareholdings of, in aggregate, 1,170,347 shares representing approximately 1.070% of the issued share capital of Hispania, and that Canepa Management Ltd, as general partner of Row Fund I L.P. (controlling shareholder of Tamerlane S.à r.l., a beneficial owner of 5,250,000 shares representing approximately 4.809% of the issued share capital of Hispania) has undertaken to cause the directors of Tamerlane S.à r.l. to execute and deliver to the Bidder an irrevocable undertaking to accept the Bid in respect of the above referred shareholding in Hispania, all of which was ascertained on 22 June 2018. In turn, Hispania confirmed the above matters in a relevant fact on the same date (register number 267,077) as regards the Company and the members of the Board of Directors.

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Under these circumstances, on 22 June 2018 Hispania requested the CNMV to extend by four business days the period to publish the mandatory report of the Board of Directors in relation to the Bid with a view to having sufficient time to adequately prepare the report and to obtain from the financial advisors of the Company their respective opinions regarding the adequacy, from a financial point of view, of the new price of 18.25 euros per share for the shareholders of Hispania (other than the Bidder and its affiliated entities). The CNMV granted the extension on the same date.

The Bidder submitted the request for the authorisation of the Modification of the Bid, the corresponding supplement to the explanatory prospectus of the Bid, the announcement of the Modification of the Bid and the supplementary guarantee to the CNMV on 27 June 2018, which was made public through the corresponding relevant fact and dated on such date (register number 267,225). The Modification of the Bid was authorised by the CNMV on 28 June 2018, as it was disclosed by the CNMV through a relevant fact (register number 267,285). The Bid's terms and conditions are described in detail in the explanatory prospectus and the supplement to the prospectus both prepared by the Bidder, which have been made available to the public on the websites of the CNMV (www.cnmv.es) and the Company (www.hispania.es), as set out in article 22 of Royal Decree 1066/2007 (the prospectus and the supplement to the prospectus will be jointly referred as the "**Prospectus**").

The Board of Directors notes the compulsory but non-binding nature of this report and of the opinions expressed herein, and that it is up to each shareholder, according to their individual situation and interests, to decide whether or not to accept the Bid.

1. BACKGROUND OF THE BID

On 5 April 2018, the Bidder announced a voluntary takeover bid for all the shares of Hispania, which the CNMV authorised on 12 June 2018.

Pursuant to article 24 of Royal Decree 1066/2007, the Board of Directors shall draw up a detailed and reasoned report in relation to the Bid which must be published within ten calendar days following the start of the acceptance period, that is, on or before Saturday 23 June 2018.

On 22 June 2018, the Bidder published a relevant fact in respect of the Modification of the Bid, after having reached an agreement with the Board of Directors to increase the price initially offered in the Bid of 17.45 euros per share to 18.25 euros per share, in cash.

At the request of Hispania, the CNMV granted the Board of Directors an extension of four business days in relation to the period set out in the abovementioned provision of Royal Decree 1066/2007 regarding the publication of the report of the Board of Directors in relation to the Bid, that is, on or before 28 June 2018, a date which coincided with the authorisation of the Modification of the Bid by the CNMV.

Pursuant to article 31.6 of Royal Decree 1066/2007, the Board of Directors shall issue the report referred to in article 24 of Royal Decree 1066/2007 regarding the Modification of the Bid within five calendar days following the publication of the announcement of the Modification of the Bid.

Accordingly, through the publication of this report the Board of Directors discharges its obligations under the provisions of articles 24 and article 31.6 of Royal Decree 1066/2007.

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2. KEY FEATURES OF THE BID

According to the Prospectus, the Bid's key features are as follows:

2.1 Bidder

The Bidder is Alzette Investment S.à r.l., a company incorporated under the laws of Luxembourg, with registered address at 2-4 rue Eugène Ruppert, L-2453, Luxembourg (Luxembourg), with Luxembourg tax identification number 2018 2407 160 and Spanish tax identification number (NIF) N0186390A. The Bidder was incorporated on 2 February 2018 for an indefinite term and is registered with the Trade and Companies' Register of Luxembourg under registration number B-221.919.

According to the information provided in the Prospectus, the Bidder is a special purpose vehicle incorporated for the acquisition of the shares of the Company and the execution of the Bid.

In accordance with article 5 of the Securities Market Act, the Bidder represents in the Prospectus that is fully owned indirectly by venture capital funds advised by subsidiaries of The Blackstone Group L.P. (jointly with its subsidiaries, "**Blackstone**" or the "**Blackstone Group**"), which is in turn managed and directed by its general partner, Blackstone Group Management L.L.C., a company owned by the senior managers of Blackstone and controlled by one of the founders of Blackstone, Mr. Stephen Allen Schwarzman.

Blackstone is a global assets investment management firm, with registered address at 345 Park Avenue, NY 10154, New York, United States with tax identification number 20-8875684 and registered in the Delaware's Companies Registry under register number 4315990. The common units representing the interests of the limited partners of Blackstone have been listed on the New York Stock Exchange under the ticker symbol "BX" since 22 June 2007.

2.2 Shares subject to the Bid

According to the information provided in the Prospectus, the Bid is targeted to all the share capital of Hispania, excluding the shares of the Company owned by Bidco (18,073,095 shares, representing 16.56% of the share capital), that will be locked-up until the Bid is completed. Therefore, the Bid is effectively targeted to all the holders of the remaining 91,096,447 shares of Hispania, accounting for 83.44% of its share capital (including 198,006 own shares that the Company holds in treasury on the date hereof).

The Company has no securities other than the shares subject to the Bid to which the Bid must be targeted, since Hispania has not issued any preferential subscription rights, non-voting shares, bonds that are convertible into or exchangeable for shares of Hispania, warrants or any other similar instrument that may directly or indirectly entitle its holder to acquire or subscribe shares of Hispania.

The Bid is made exclusively in Spain and is targeted to the shareholders of Hispania, in the terms provided in the Prospectus, without it or its content representing an extension of the Bid to any other jurisdiction where it may constitute a breach of the applicable legislation therein or where the Bid would require the distribution or registry of additional information apart from the Prospectus. The Bidder notes in the Prospectus that shareholders of the Company residing outside Spain who decide to tender their shares in the Bid may be subject to legal and regulatory restrictions that differ from those under Spanish regulations. The Bidder has not confirmed in the Prospectus its compliance

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with (or if it will take any action to comply with) any law regarding verification, applicability or implications of the Bid in any jurisdiction other than Spain.

The terms of the Bid are the same for all the shares subject to the Bid, with the Bidder offering the consideration described in section 1.4 of this report.

2.3 Type of Bid

The Bid is a voluntary bid given that the Bidder does not fall under any of the scenarios that imply the obligation to launch a mandatory takeover bid in accordance with article 137 of the Securities Market Act and article 3 of Royal Decree 1066/2007.

2.4 Consideration offered

As indicated in the Prospectus, the Bidder offers the shareholders a cash consideration of 18.25 euros per share (the “**Bid Price**”), which may be adjusted according to a mechanism pursuant to which if Hispania distributes a dividend or approves a refund of contributions to its shareholders prior to the settlement of the Bid (including if the ex-dividend date for such distribution corresponds to, or falls on a date earlier than, the settlement of the Bid), the Bid Price would be reduced by the gross amount per share of that dividend or distribution to the shareholders.

In particular, the Bidder states in the Prospectus that the Bid Price would be reduced if Hispania proceeds to pay any of the distributions approved at the General Shareholders’ Meeting of Hispania held on 4 April 2018: (i) the extraordinary distribution of the issue premium up to 60,000,000 euros; (ii) the extraordinary distribution of the issue premium up to 32,000,000 euros, and (iii) the extraordinary distribution of the issue premium up to 215,000,000 euros.

In accordance with the aforesaid mechanism to adjust the Bid Price, any potential decision in relation to the payment of any of the distributions approved at the General Shareholders’ Meeting of Hispania to distribute dividends would have a neutral impact on the shareholder who decided to accept the Bid. Notwithstanding the above, Hispania has not approved to pay any dividend or any other distribution to its shareholders after the holding of the referred General Shareholders’ Meeting of the Company and the date of the prior announcement of the Bid.

The Bid is a voluntary bid, thus, there is no requirement for the consideration offered to be deemed an equitable one. Nevertheless, as stated by the Bidder in the Prospectus, and as set out in the relevant fact communication from the CNMV dated 28 June 2018, the Bidder considers that the Bid Price (18.25 euros per share), is an equitable price for the purposes of article 9 of Royal Decree 1066/2007, for the reasons described in section II.2.2.1 of the Prospectus.

2.5 Acceptance period

As the Prospectus states, the Bid’s acceptance period has been set by the Bidder at 30 calendar days following 14 June 2018, which is the trading day following the publication date of the first announcement of the Bid in the listing bulletins of the Madrid, Barcelona, Bilbao and Valencia stock exchanges corresponding to the trading session of 13 June 2018 (the announcement was also published in the 13 June 2018 edition of the “*Expansión*” newspaper) and will expire at 24:00 hours (CET) on 13 July 2018, as the CNMV informed in its communication of 13 June 2018.

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However, according to article 31.4 of Royal Decree 1066/2007, such acceptance period was suspended on the date that the Bidder submitted to the CNMV the request for authorisation of the Modification of the Bid and it resumed upon its authorisation by the CNMV, hence it will expire at 24:00 hours (CET) on 16 July 2018, as the CNMV informed in its communication of 13 June 2018.

2.6 Financing for the Bid

As it is indicated in the Prospectus, the Bidder intends to finance the Bid Price with equity supplied by the funds managed by The Blackstone Group, notwithstanding the possibility of separately obtaining additional bank financing pursuant to the terms described in subsection 4.2 of chapter II of the Prospectus that could be allocated to partially finance the Bid.

According to the information provided by the Bidder in the Prospectus, and in accordance with article 15 of Royal Decree 1066/2007, the payment of the Bid Price of 18.25 euros per share was secured by a bank guarantees issued by BNP Paribas, S.A., Sucursal en España totalling 1,662,510,157.75 euros.

2.7 Conditions to which the Bid is subject

2.7.1 Condition of minimum acceptance

The Bid is subject to its acceptance by shareholders who, jointly with the shares owned by the Bidder (which has 18,073,095 shares, representing 16.56% of Hispania's share capital), represent 50% plus one share of the shares of the Company. Consequently, this condition will be fulfilled if the Bid is accepted by shareholders holding together 36,511,677 shares representing 33.44% of the share capital of Hispania.

It is hereby stated that, as mentioned above, on 22 June 2018, Azora Altus, S.A., Azora Capital, S.L., Azora Gestión and Tamerlane S.à r.l. entered into irrevocable undertakings to accept the Bid in respect of their beneficial shareholdings of, in aggregate, 6,420,347 shares representing approximately 5.879% of the issued share capital of Hispania.

2.7.2 Other conditions imposed by the Bidder and authorised by the CNMV

According to the information provided in the Prospectus, the Bid is also subject to the following conditions:

- (i) that the Company has not agreed to modify, before the end of the Bid's acceptance period, its articles of association to substitute or substantially modify its corporate purpose, increase or decrease its share capital, increase the *quorums* for the constitution or the required majorities for the adoption of resolutions in the General Shareholders' Meeting or the Board of Directors or limit the voting rights of the shareholders, to the extent that, as a result of any of the aforementioned resolutions to amend the articles of association, the Bidder would be unable to approve at a General Shareholders' Meeting after the settlement of the Bid the reversion of such amendment with a majority of 50% of the share capital plus one share.
- (ii) that the Company has not agreed, before the end of the Bid's acceptance period, to carry out a merger, division, global assignment of assets and liabilities of the Company or its Group.

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- (iii) that the Company has not incurred (or approved to incur), before the end of the Bid's acceptance period, financial debt unless: (i) such financial debt is incurred for the purposes of (x) refinancing the disposal of tranche A (for a maximum of 470 million euros) of the financing formalised by the Company on 26 February 2018 under a financing agreement signed on that same date for a maximum of 770,383,755 euros by the Company as creditor, certain subsidiaries of the Company as guarantors and certain bank entities as financing entities ("**The Financing Agreement**") or for the purposes of (y) funding the maintenance, improvement or repositioning (*capex*) plan of its assets, as the Company announced, or for the purposes of attending to the general corporate needs of the Company and its group (insofar as the aggregate amount disposed does not exceed the amount that would be disposable under tranches B1 and B2 of the Financing Agreement, i.e. 275 million euros); and that (ii) such financial debt is freely pre-payable without associated fees or cancellation charges (except for those that, where appropriate, could be linked to the settlement of the hedging instruments agreed in connection with that financial debt, lasting no longer than the current divestment period being March 2020).
- (iv) that the Company has not carried out (or agreed to carry out), before the end of the Bid's acceptance period, any disposal or lien (except for pledges authorised at the General Shareholders' Meeting of 4 April 2018 under item 6 of its Agenda) of the Company's assets for an aggregate transaction value (including costs and taxes borne by the seller) exceeding 5% of the net assets' value (EPRA NAV) of the Company as at 31 December 2017 (meaning aggregate assets exceeding 5% of 1,735,490,000 euros).

2.7.3 Right to waive the conditions to which the Bid is subject and timing for its exercise

Although the Bidder has indicated in the Prospectus that it has no intention to waive the aforesaid conditions, the Bidder has also expressly reserved the possibility to do so, which circumstance must be communicated no later than the end of the following trading session on the day that the CNMV informs the Bidder of the Bid's result, in the event that the condition of minimum acceptance is not fulfilled, and no later than the day before the end of the acceptance period, in the event that any of the remaining conditions is not fulfilled. The Bidder indicates in the Prospectus that there is no contractual obligation or any other type of obligation that restricts the Bidder from waiving or not the conditions.

In the event that, as a result of the settlement of the Bid, and the Bidder having waived the obligation to comply with the condition of minimum acceptance, the Bidder acquires a shareholding in Hispania equal to or less than 50% but higher than 30% of the share capital, the Bidder will not be required to launch a mandatory takeover bid pursuant to article 8.f) of Royal Decree 1066/2007 given that, as the CNMV confirmed in its communication of 28 June 2018, the Bid Price is considered an equitable price.

2.8 Squeeze-out right

The Bidder states in the Prospectus that, if the conditions established in article 136 of the Securities Market Law and article 47 of Royal Decree 1066/2007 are met (i.e., if as a result of the Bid: (i) Bidco holds shares representing at least 90% of the share capital of Hispania carrying voting rights; and (ii)

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the Bid has been accepted by shareholders representing at least 90% of the voting rights subject to the Bid) it will force the remaining holders of shares of Hispania to sell all of their shares after the Bid. Accordingly, Bidco would be entitled to exercise its squeeze-out rights in relation to the remaining shares of Hispania if the Bid is accepted by shareholders collectively owning at least 81,986,803 shares, representing 90% of the shares subject to the Bid, being such acceptance committed by holders of 6,420,347 shares representing approximately 5.879% of the issued share capital of the Company by virtue of the irrevocable undertakings described in section 5.4 below. That figure of 81,986,803 shares, plus the 18,073,095 shares of the Company (16.56% of its share capital) currently held by the Bidder, represent 91.66% of the Company's share capital.

The Bidder states that, if (i) Hispania does not accept the Bid in connection with the 198,006 treasury shares that the Company holds in treasury as of this date, (ii) these shares remained as treasury shares on the Bid's settlement date and (iii) Bidco decided to promote a reduction of the share capital of Hispania through the redemption of such shares and locked them up in the meantime, it would suffice for the Bid to be accepted by shareholders collectively holding at least 81,808,597 shares (representing 90% of the shares subject to the Bid, excluding the 198,006 treasury shares) for the Bidder to be able to exercise the squeeze-out right in relation to the remaining shares of Hispania held by the remaining shareholders of the Company. The Bidder further provides that, for any other number of shares held in treasury by the Company, the corresponding calculation will be carried out in order to verify compliance with the conditions for the execution of the squeeze-out right with the appropriate adjustment.

The Board of Directors states that, on the date hereof, the Company holds 132,288 treasury shares.

If implemented, the squeeze-out would automatically entail the delisting of Hispania's shares, which would be effective following the settlement date of the squeeze-out transaction.

2.9 Authorisation of the Bid

The Prospectus clarifies that the Bid constitutes an economic concentration with a Spanish dimension for the purpose of competition law, therefore requiring authorisation from domestic anti-trust authorities.

Accordingly, the Bidder notified the transaction to the Spanish Competition Authority (*Comisión Nacional de los Mercados y de la Competencia*) ("**CNMC**") and, on 3 May 2018, it authorised the concentration transaction.

The Bidder also states in the Prospectus that the Bid is not subject to any authorisation from (or notification to) any national or foreign supervisory body or authority other than the CNMV and the CNMC.

3. PURPOSE OF THE BID AND THE BIDDER'S PLANS AND INTENTIONS REGARDING HISPANIA

3.1 Purpose of the Bid

The Bidder states in the Prospectus that the acquisition of Hispania represents an opportunity to increase Blackstone's exposure to the Spanish real-estate sector and, in particular, to the hotel sector, which forms a significant part of Hispania's business.

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As the Bidder explains in subsection 4.1.4 of chapter I of the Prospectus, the Bid fits into the opportunistic investment strategy of Blackstone's real-estate business that it carries out in Spain through the funds denominated "BREPs", having acquired approximately 18,000 million euros in Spanish assets since 2012. In the Prospectus, the Bidder defines the investment strategy of such funds as "*purchase it, fix it, sell it*" to acquire high-quality, well-located assets at discounts that take into account the replacement costs and the approach to the various aspects of business or real estate through the active management of assets, and to sell the assets once the BREP's targets are achieved.

According to the information provided by the Bidder in the Prospectus, the Bidder's intention is not to continue with Hispania's current value return proposal strategy involving the disposal of Hispania's entire asset portfolio as such strategy was initially defined in the investment management agreement (*Investment Management Agreement*) signed by Hispania, the Investment Manager and Azora Capital, S.L. on 21 February 2014 (and its subsequent modifications) (the "**Investment Management Agreement**") and subsequently endorsed by the shareholders of Hispania by virtue of the corresponding corporate resolutions adopted at the General Shareholders' Meeting of 6 April 2017. As is known, this strategy implies the distribution among the shareholders of Hispania of both the net proceeds resulting from the sales of all the assets of the portfolio and any other remaining equity of the Company, all before 14 March 2020. Instead, the Bidder intends to maintain the Company's entire asset portfolio, or part of it, in the mid-term (three to seven years) and implement active asset management initiatives, all to be performed through a non-listed company, which would require the adoption of the corresponding resolutions at the General Shareholders' Meeting of Hispania.

Consequently, the Bidder notes that the Bid's goal is to obtain control of the Company in a way that would allow it to alter the Company's current value return proposal strategy and carry out the referred management initiatives and promote the delisting of the Company's shares.

In relation to the above, and taking into account the possible post-Bid scenarios, the Bidder indicates that:

- (i) if Bidco acquires 100% of the Company's shares in the Bid or, in the event that the squeeze-out right requirements are fulfilled, Bidco exercises the squeeze-out right, Hispania will become a non-listed company owned 100% by Bidco and, as such, the Bidder could immediately pursue the active-asset management initiatives referred to above;
- (ii) as indicated in subsection 10 of chapter IV of the Prospectus, if Bidco obtains a controlling stake in the Company without reaching the legal thresholds to exercise the squeeze-out right, Bidco has the intention to promote the delisting of the Company in accordance with article 11(d) of Royal Decree 1066/2007; i.e. invoking the exception of making a delisting offer as established in article 11(d) insofar as the sale by those shareholders of Hispania that did not accept the Bid and would like to sell their shares before the delisting is facilitated by means of an order to purchase such shares at the same Bid Price (adjusted by any potential dividend distributed by Hispania before that time), with Hispania being delisted at the end of this process. Thus, the Bidder announces that, after the settlement of the Bid, it will call an

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extraordinary General Shareholders' Meeting for the approval of the delisting of Hispania, according to the applicable regulations.

- (iii) if the Bidder waives the condition described in subsection 1.7.1 and acquires a shareholding in Hispania representing, jointly with its current shareholding in the Company, 50% or less but more than 30% of Hispania's share capital, the Bidder notes in the Prospectus that it could potentially not be able to give effect to all its plans and intentions regarding the Company as described in chapter IV of the Prospectus.

3.2 Strategic plans of the Bidder regarding the future activities and the location of the workplaces, employee positions, use of assets, indebtedness, dividend policy, management bodies and articles of association of the Company and the companies belonging to its group.

In relation to the Bidder's strategic plans regarding the future activities and the location of the workplaces, employee positions, use of assets, indebtedness, dividend policy, management bodies and articles of association of the Company and the companies belonging to its group, Bidco indicates in the Prospectus that, amongst others and without limitation:

- (i) In connection with the hotel and residential-asset portfolio, it intends to implement various active management strategies including, without providing more details, the investment in capex, maximisation of the rent and the operating income of the assets, analysis of sale opportunities and eventually optimizing the Company's financial structure. Likewise, it expresses its intention to maintain the majority of the hotel assets in the mid-term (three to seven years) though a non-listed company. As opposed to the hotel assets, the Bidder does not specify any maintenance period for the residential-asset portfolio.
- (ii) In connection with the offices-assets portfolio, it has not defined any specific plan but notes that it could support the plan announced by Hispania and authorised at its General Shareholders' Meeting on 4 April 2018 that involves putting up for sale all of the aforesaid assets and continue with the disinvestment project depending on the prevailing market conditions and the terms and conditions of the transaction as considered.
- (iii) In connection with the discretionary investment and management services that Azora Gestión currently performs for Hispania, it intends to review with Azora Gestión the Investment Management Agreement (currently valid until March 2020). In any case, the Bidder expresses its intention so that Hispania complies with all payment obligations resulting from the early termination of the Investment Management Agreement, according to the descriptions publicly released by the Company. Also, it announces that it has the intention to entrust as soon as reasonably possible but no later than 2020, the management of the hotel assets of the Company to HI Partners Holdco Value Added, S.A. ("**HI Partners**") (a company controlled by funds advised by companies of The Blackstone Group) and specifies that there is currently no plan to merge HI Partners and the Company (or its assets).
- (iv) It has no plan in connection with the employees of the companies forming part of the group headed by Hispania related to the exploitation of the hotel assets nor does it expect any significant modifications in connection with their rights and conditions.

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- (v) It intends to optimize, where appropriate, the Company's finance structure, including the financing policy, refinance all or part of the existing financial debt and/or increase the leverage ratio.
- (vi) It has no plans to issue new securities of Hispania.
- (vii) In order to achieve the strategic targets described in subsections 1 and 2 of chapter IV of the Prospectus, it intends to consider any potential corporate restructuring in view of the benefits that could result and in the context of the events and circumstances existing from time to time. No further details are provided regarding these possible transactions or the specific targets that could be pursued.
- (viii) Hispania will lose its SOCIMI status as a consequence of the Company's delisting from the Stock Exchanges; therefore, the Company's future dividend policy will be established depending on the liquidity needs for performing its investment activities and meeting its payments obligations, which may result in a decrease in the volume and frequency of dividend distributions.
- (ix) It intends to form part of the Board of Directors, ensuring the appointment of a number of directors necessary to reflect the majority shareholding acquired after the Bid, and to transfer that majority shareholding composition to the executive committee, all taking into account the number of independent directors needed to comply with applicable regulations while the shares of the Company remain listed. Likewise, it has declared its intention to be represented in the remaining commissions of the Board of Directors.
- (x) It proposes to implement amendments of the articles of association and internal regulations of Hispania to adapt them to the status of a non-listed and/or non SOCIMI company.

For a more detailed explanation of the Bidder's strategic plans, targets and intentions in connection with Hispania, the Company's shareholders should refer to chapter IV of the Prospectus.

4. ACTIONS BY THE BOARD OF DIRECTORS

4.1 Actions following the prior announcement of the Bid

As from the prior announcement of the Bid, the Board of Directors has duly observed the applicable regulations on takeover bids. In particular, the general duty of care of directors to protect the interests of the Company and its shareholders has been complied with at all times. Likewise, the Board of Directors has respected the rules of conduct under article 28 of Royal Decree 1066/2007. The Board of Directors is not aware of the Investment Manager not complying with the takeover bid's regulations and, in particular, the duties of passivity inherent to its condition as Investment Manager of the Company.

Notwithstanding the above:

- (i) In relation to the prior announcement of the Bid, the Board of Directors reported to the market by means of a relevant fact dated 16 April 2018 (registry number 264,158) that it and the Investment Manager were not aware of Bidco's acquisition of shares representing a 16.56% stake in Hispania's total shareholding nor of Bidco's intention to launch the Bid for all



the shares of the Company until that circumstance was made public; the Bid was therefore an unsolicited bid. Likewise, it announced that it would promote alternatives to maximize the Company's value.

- (ii) Within the publication of the aforementioned relevant fact, the Board of Directors informed of the selection and engagement of the financial and legal advisors required to assist the board in evaluating those actions aimed to maximize the value of the Company for its shareholders and to draw up its opinion in relation to the Bid, in compliance with applicable regulations. By virtue of that decision, Hispania appointed Goldman Sachs International, Sucursal en España ("**Goldman Sachs**"), J.P. Morgan Securities plc. ("**J.P. Morgan**") and UBS Limited ("**UBS**") as financial advisors (collectively the "**Financial Advisors**"), and Freshfields Bruckhaus Deringer L.L.P. ("**Freshfields**") and Uría Menéndez Abogados S.L.P. ("**Uría Menéndez**") as legal advisors.
- (iii) Despite of the Bidder's inclusion of a reference in the prior announcement of the Bid to a non-provisioned liability of total incentive fees amounting to 173 million euros payable to the Investment Manager, estimated, as the Bidder affirmed, based on "*the Bid Price and the calculation of the incentive fees payable to Azora Gestión according to the methodology reported in the Prospectus of Hispania's OPV dated 3 March 2014*", the Company announced in the report regarding the results of the first quarter of 2018 and submitted to the CNMV on 14 May 2018 (registry number 265,593) its intention to not modify the criteria followed by the Company until then to calculate the provision, as it considered that the events occurred after 31 March 2018 did not require an adjustment given the significant uncertainty surrounding the Bid. Notwithstanding this, the Board of Directors considered it appropriate to provision an additional amount of 15 million euros, as informed in the report of quarterly results of the group for such period, to update the calculation of the provision relating to the incentive fees payable to the Investment Manager in light of the factorisation over time and the variation of certain assumptions associated with its calculation as at 31 March 2018.
- (iv) As a consequence of the launching of the Bid, the Company was unable to issue the bonds as scheduled for April 2018 to be used to refinance the disposal made by the Company of tranche A of the Financing Agreement in an amount of approximately 470 million euros. The disposal was used to (i) discharge the payment obligations under specific acquisitions of assets announced in December 2017 but executed in February 2018 and (ii) the repayment of the syndicated financing granted by various financing entities to the subgroup of the Company BAY Hotels & Leisure SOCIMI, S.A. In light of such circumstance, and within the limitations imposed by the conditions to which the Bid is subject, the Company informed, in the presentation of its 2018 first quarter results, that it has obtained a waiver to dispose of 225 million euros from a credit line already granted, as well as the ongoing analysis of other alternatives to complement or substitute such financing.
- (v) The Company has not distributed to its shareholders the aggregate 42.5 million euros expected for the end of April 2018 and announced before the prior announcement of the Bid, that is, the interim dividend out of the net income for 2018 and the distributions of the issue premium reserve in order to allow for the distribution to the shareholders of the net

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cash received by the Company and obtained by the sales of residential assets closed during 2017 and the sale of the Aurelio Menéndez office building.

- (vi) The Board of Directors has decided to continue with the plan for 2018 relating to the divestment of residential retail assets, as these are considered of limited significance as regards their volume and framed within the ordinary course of the Company's activities.
- (vii) In relation to the sale of its offices portfolio, which was expressly authorised at the last General Shareholders' Meeting held on 4 April 2018, and in view of the passivity rule applicable while the Bid is ongoing according to article 28 of Royal Decree 1066/2007 and the condition imposed by the Bidder described in subsection 1.7.2 above, the Board of Directors has not taken any decision.
- (viii) The Board of Directors has overseen the Company's fulfilment of its legal obligation of making available the Bid's Prospectus to the shareholders and investors on Hispania's website and, although the Company has no employees, by delivering the Prospectus to the employee representatives at the entities of the Hispania Group which do have a workforce.
- (ix) The Company engaged CBRE Valuation Advisory, S.A., the entity that has been performing the appraisal reports of the asset portfolio of Hispania since 2014, for the purposes of issuing an appraisal report of such portfolio as of 31 May 2018 and with the aim that both the Board of Directors and the shareholders of the Company have an updated reference of the value of the assets of the Company near to the time they are required to decide over the Bid. Hispania announced on 22 June 2018 (register number 267,077) the market value of the real estate asset portfolio of the Company deriving from such appraisal report amounting to TWO THOUSAND EIGHT HUNDRED AND ELEVEN MILLION AND FIFTY SIX THOUSAND EURO (2,811,056,000 euros), under net market value assumptions as at 31 May 2018, which represents a revaluation of 5.7% over the market value of the assets as at 31 December 2017.
- (x) In the publication by the Bidder of the relevant fact dated 22 June 2018 (register number 267,075) disclosing its decision to modify the consideration offered in the Bid from 17.45 euros per share of Hispania to 18.25 euros per share, the Company has also announced through the corresponding relevant fact (register number 267,077) that the Board of Directors considered and evaluated together with its advisors the binding proposal received from the Bidder, and concluded that the Bid Price of 18.25 euros per share is adequate. Accordingly, Hispania confirmed to the Bidder that it considered the consideration offered after the Modification of the Bid to be attractive, that the Board of Directors would unanimously recommend the Bid at the new Bid Price to Hispania's shareholders and that all the directors of Hispania had agreed to accept the Bid in respect of their own shareholdings.

4.2 Advice received by the Board of Directors

In connection with the Bid and consistently with customary practice, the Board of Directors engaged the Financial Advisors to analyse and advise on the potential strategic options available to the Company as well as to prepare their respective opinions as to the fairness from a financial point of view to the shareholders of Hispania (other than the Bidder, its affiliated entities and the entities

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which, as described above, have executed and delivered irrevocable undertakings to accept the Bid) of the Bid Price. Those opinions from Goldman Sachs, J.P. Morgan and UBS were addressed to the Board of Directors and are attached as Annex I, and must be read taking into consideration the corresponding scope, assumptions and limitations, the information and experience used, the procedures, the topics considered and not considered, and the limitations of the review performed, in order to properly assess the conclusion expressed therein. Those opinions are not addressed to the shareholders of Hispania and, as such, the fairness opinions do not contain a recommendation to the shareholders of Hispania as to whether they should tender their shares in the Offer or how they should act with respect to any other matter regarding the Offer.

Likewise, as previously indicated, during the Bid, Freshfields and Uría Menéndez have acted as legal counsel to the Company, providing the legal advice requested by the Board of Directors throughout the Bid process.

5. AGREEMENTS BETWEEN HISPANIA, THE INVESTMENT MANAGER AND THE BIDDER, ITS SHAREHOLDERS OR DIRECTORS, OR BETWEEN THE DIRECTORS OF HISPANIA AND THE INVESTMENT MANAGER AND THE BIDDER, ITS SHAREHOLDERS OR DIRECTORS

5.1 Agreements between Hispania (or the Investment Manager) and the Bidder in relation to the Bid

5.1.1 Agreements between Hispania and the Bidder in relation to the Bid

At the request of the Bidder and The Blackstone Group, on 21 May 2018, these companies signed a non-disclosure agreement with Hispania to allow them to exchange confidential information in relation to the Company in compliance with article 46 of Royal Decree 1066/2007. Notwithstanding this, it is expressly noted that, to date, Hispania has not provided confidential information regarding the Company to the Bidder or The Blackstone Group other than Hispania's estimated EPRA NAV value adjusted as of 31 May 2018 of 16.90 euros per share, calculated on the basis of (i) the appraisal report prepared by CBRE Valuation Advisory, S.A. of the asset portfolio of Hispania, under net market value assumptions as at 31 May 2018, and referred to in section 4.1 above, the conclusion of which was also disclosed to the Bidder; (ii) the provisional unaudited consolidated balance sheet as at 31 May 2018 of Hispania Group prepared by the Investment Manager, and (iii) a provision relating to the incentive fee (performance fee) payable to the Investment Manager amounting to 158 million euros.

Moreover, on 22 June 2018, after the approval by the Board of Directors, Hispania and the Bidder entered into an agreement according to which the Bidder undertook to increase the consideration of the Bid to 18.25 euros in cash per Hispania share, and to submit not later than Thursday 28 June 2018 to the CNMV the required documentation, and to deliver to the CNMV for immediate publication a relevant fact making public, amongst other things, the decision to increase the consideration of the Bid and the resolution of the Board of Directors to recommend the Bid at the new Bid Price of 18.25 euros per share. The Bidder's commitment was subject to the following conditions which were fulfilled on 22 June before the publication of the aforementioned relevant fact by the Bidder:

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- a) the execution and delivery by Azora Altus, S.A., Azora Capital, S.L. and Azora Gestión SGIC, S.A.U. of an irrevocable undertaking to accept the Bid at the new Bid Price of 18.25 euros per share in respect of their beneficial shareholdings of, in aggregate, 1,170,347 shares representing approximately 1.070% of the issued share capital of Hispania; and
- b) the execution and delivery by Canepa Management Ltd, as general partner of Row Fund I L.P. (controlling shareholder of Tamerlane S.à r.l., a beneficial owner of 5,250,000 shares representing approximately 4.809% of the issued share capital of Hispania) of an undertaking to cause the directors of Tamerlane S.à r.l. to execute and deliver to the Bidder within the next 24 hours thereof an irrevocable undertaking of Tamerlane S.à r.l. to accept the Bid at the new Bid Price of 18.25 euros per share in respect of the total number of shares referred to above.

On 22 June 2018, Tamerlane S.à r.l. delivered to the Bidder the irrevocable undertaking signed by the directors of the former to accept the Bid at the new Bid Price of 18.25 euros per share with the whole 5,250,000 shares of Hispania.

In turn, the Board of Directors undertook to recommend the Bid at the new Bid Price of 18.25 euros per share in this report, and to confirm that it considered that the Bid, at the improved Bid Price of 18.25 euros per share, is attractive and that all the directors of Hispania have agreed to accept the improved Bid in respect of their own beneficial shareholdings of, in aggregate, 48.108 shares representing approximately 0.044% of the share capital of Hispania. In addition, from the date of the letter and until the settlement of the Bid, Hispania made the following commitments:

- (i) that Hispania and the entities of its Group will conduct their respective businesses in the ordinary and usual course and neither Hispania nor any entity of its group will take any action or fail to take any action which (i) delays or is detrimental to the successful outcome of the Bid or (ii) may result in the non-fulfilment of any of the conditions to which the effectiveness of the Bid is subject to as set out in section 3.1.2 of chapter II of the Prospectus;
- (ii) no director of Hispania will, before the end of the acceptance period for the Bid, withdraw, modify or qualify, in a manner adverse to the Bid, the Board of Directors' recommendation to accept the Bid; and
- (iii) Hispania will refrain from (and will procure that the Investment Manager and the members of the Hispania Group, and their respective advisors and representatives, refrain from), directly and indirectly, initiating, continuing or holding talks or negotiations with any third parties which subject matter is identical or similar, in the broadest sense, to the acquisition (directly or indirectly), by any means, of all or any of the issued share capital of Hispania or any entity of the Hispania Group or the whole or a material part of the undertaking, business or assets of Hispania or any entity of the Hispania Group or any proposal involving a merger, scheme of arrangement, reorganisation, restructure or re-capitalisation of Hispania or any entity of the Hispania Group.

Apart from the above, no other agreements exist between Hispania and the Bidder in relation to the Bid.

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5.1.2. Agreements between the Investment Manager and the Bidder in relation to the Bid

Furthermore, the Board of Directors has learned that Azora Capital, S.L. and Azora Gestión delivered on 22 June 2018 a letter to the Bidder, which was signed on such date by the latter by way of acceptance, in which the former expressed to the latter the following matters:

- a) The willingness of the Investment Manager to continue to collaborate with Hispania if the outcome of the Bid is positive, during a period of at least six months following the settlement of the Bid, to ensure a smooth transition.
- b) That the recommendation to accept the Bid by the directors appointed by the Investment Manager and the irrevocable undertaking of Azora Altus, S.A. to accept the Bid does not compromise the right of the Investment Manager to terminate the Investment Management Agreement early because of, at least, the following events:
 - (i) change of control of the Company by virtue of Clause 12.5 (c) of the Investment Management Agreement, if the outcome of the Bid is positive;
 - (ii) change of the Strategic Plan or Value Return of the Company without the consent of the Investment Manager by virtue of Clauses 12.6(a) and 16 of the Investment Management Agreement, if the strategic plan announced by the Bidder in the Bid's Prospectus is implemented by the Bidder or the current plan is modified;
 - (iii) removal of the Board of Directors (and hence of Mr Fernando Gumuzio and Ms María Concepción Osácar as directors) by virtue of Clause 12.5 (a) of the Investment Management Agreement, including in the event that the removal is the result of the resignation by the directors to ease the appointment of the new directors proposed by the Bidder.
- c) That the existence of all or part of the events described in b) above (announced by the Bidder in the Prospectus) entitles the Investment Manager to receive from the Company the early termination fees described in Clauses 6.9 (a) and 6.10. Consequently, the Investment Manager will be entitled to receive (i) the amount of the base fee to which the Investment Manager would have been entitled had the Investment Management Agreement remained in force until the expiry of its term; and (ii) the amount of the incentive fee described in Clause 6.10 of the Investment Management Agreement in the event of change of control of the Company.

The Investment Manager will cooperate in good faith with Hispania to structure the payment to the Investment Manager of any fee payable upon the early termination of the Investment Management Agreement in the most efficient way possible for Hispania.

The abovementioned letter was agreed exclusively between the Investment Manager and the Bidder and it is mentioned herein only for information purposes.

Apart from the above, the Board of Directors has no knowledge of any other agreement between the Investment Manager and the Bidder in relation to the Bid.

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5.2 Agreements between Hispania or the Investment Manager and the shareholders or directors of the Bidder in relation to the Bid

No agreements exist between Hispania and the shareholders or directors of the Bidder in relation to the Bid. The Board is not aware of any agreement between the Investment Manager and the shareholders or the directors of the Bidder in relation to the Bid.

5.3 Agreements between the directors of Hispania or the Investment Manager and the Bidder, its shareholders or directors

No agreements in relation to the Bid exist between the directors of Hispania and the Bidder, the shareholders or directors of the Bidder, other than as mentioned in section 5.1 above.

Apart from what is stated in section 5.1 above, the Board of Directors has no knowledge of the existence of any agreement between the Investment Manager and the Bidder, the Bidder's shareholders or directors in relation to the Bid.

5.4 Agreements between shareholders of Hispania and the Bidder

Apart from the following, the Board of Directors is not aware of any agreement in connection with the Bid between the shareholders of Hispania and the Investment Manager and the Bidder, its shareholders or directors.

As disclosed by the Bidder in the Prospectus, on 4 April 2018 and thus before the publication of the prior announcement of the Bid, Bidco agreed to acquire 18,073,095 shares of Hispania, representing 16.56% of its share capital from QP Capital Holdings Limited and QPB Holdings Limited, companies which main investment manager is Soros, for a price of 17.45 euros per share, without any additional compensation, protection clause or price increase or deferred price agreement. That transaction was executed on 5 April 2018 and, on 6 April 2018, the Company's Board of Directors acknowledged the resignation submitted on the eve of that agreement, by the sole director of Soros, Mr. Benjamin David Barnett.

Additionally, as indicated in section 5.1, on 22 June 2018 the Investment Manager, its sole shareholder, Azora Capital, S.L. and its parent company Azora Altus, S.A., irrevocably undertook vis-à-vis the Bidder to accept the Bid at the new Bid Price in respect of their aggregate shareholdings of 1,170,347 shares representing approximately 1.070% of the issued share capital of Hispania. A similar undertaking was made on the same date by Tamerlane S.à r.l., which owns 5,250,000 shares representing approximately 4.809% of the issued share capital of Hispania and a company controlled by Row Fund I L.P., whose general partner is Canepa Management Ltd. Additionally, those shareholders undertook to maintain the ownership of the abovementioned shares free from charges and encumbrances, not acquire more shares and not take any action or omit to take any action which delays or frustrates the Bid in any way.

Save for what is indicated in the preceding paragraph, as the Bidder states in the Prospectus, no agreement of any type exists between the Bidder or companies of its group with such former shareholders (or their groups) or with any other shareholder of the Company or the respective members of its administrative, managerial or controlling bodies or with the Investment Manager or its directors and officers in relation to the Bid or, except for as indicated in subsection 5.1, with the

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Company, nor have they made reservations regarding specific advantages in connection with the administrative, managerial or controlling bodies of the Company or in connection with the Investment Manager or its directors or officers.

6. SECURITIES OF THE BIDDER HELD, DIRECTLY OR INDIRECTLY, BY HISPANIA, BY THE PERSONS WITH WHOM IT ACTS IN CONCERT OR ITS DIRECTORS

6.1 Securities of the Bidder held, directly or indirectly, by Hispania and the persons with whom it acts in concert

Neither Hispania nor the companies belonging to its group directly or indirectly holds or acts in concert with third parties:

- (i) any shareholding in the Bidder, The Blackstone Group, or the companies forming part of their group; or
- (ii) any securities or other instruments conferring the right to acquire or subscribe shares in the Bidder, The Blackstone Group, or the companies forming part of their group.

6.2 Securities of the Bidder held directly or indirectly by the members of the Board of Directors

None of the members of the Board of Directors, as individually reported by each of them, holds:

- (i) any shares in the Bidder, The Blackstone Group, or the companies forming part of their group; or
- (ii) any securities or other instruments conferring the right to acquire or subscribe shares in the Bidder, The Blackstone Group, or the companies forming part to their group.

7. SHARES OF HISPANIA HELD OR REPRESENTED DIRECTLY OR INDIRECTLY BY THE MEMBERS OF THE BOARD OF DIRECTORS

The following are the shares of Hispania held directly or indirectly as at the date of this report by the members of the Board of Directors, as individually reported by each of them:

Member of the Board of Directors	Category	Number of voting rights	% of the total voting rights
Mr Joaquín Ayuso García	Independent	13,125	0.012%
Mr Fernando Gumuzio Íñiguez de Onzoño ⁽¹⁾	Other external	0	0.000%
Mr Alberto Mañas Antón	Independent	13,125	0.012%
Mr Rafael Miranda Robredo	Independent (President)	21,858	0.020%

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Member of the Board of Directors	Category	Number of voting rights	% of the total voting rights
Ms María Concepción Osácar Garaicoechea ⁽¹⁾	Other external	0	0.000%
Mr José Pedro Pérez-Llorca y Rodrigo	Independent	0	0.000%

(1) Appointed by virtue of the right of the Investment Manager to name two candidates for appointment as directors of Hispania. As stated in sections 5.1 and 5.4 above, the Investment Manager, its sole shareholder, Azora Capital, S.L., and its parent company, Azora Altus, S.A. (the latter being a company in which Ms María Concepción Osácar Garaicoechea and Mr Fernando Gumuzio Íñiguez de Onzoño each indirectly hold 50% of the shares), own in aggregate 1,170,347 shares representing approximately 1.070% of Hispania's share capital.

8. CONFLICTS OF INTEREST OF THE MEMBERS OF THE BOARD OF DIRECTORS AND INDICATION OF THEIR NATURE

It is hereby stated that none of the members of the Board of Directors has indicated that they have a conflict of interest in relation to the Bid other than the one mentioned below.

Ms María Concepción Osácar Garaicoechea and Mr Fernando Gumuzio Íñiguez de Onzoño indirectly hold 50% of the share capital of Azora Altus, S.A., which, in turn, is, indirectly, the controlling shareholder of Azora Gestión with a 75% of the share capital, which by means of the Investment Management Agreement has been engaged to manage the asset portfolio of the Company and receives a remuneration for such services. The Investment Management Agreement establishes the right of Azora Gestión to receive compensation upon certain events of termination of the Investment Management Agreement which might materialize in case the Bid has a positive result.

Such circumstance imply that both directors are, in connection with the Bid, in a different situation than the rest of directors and shareholders of the Company which may result in a conflict of interests.

Given that such circumstance is well known by the rest of directors of the Company and has been duly disclosed above, and taking into account the legal obligation of the directors to participate in the preparation of this report, both aforementioned directors have participated in the discussion and voting of this report.

9. OPINIONS AND CONSIDERATIONS FROM THE BOARD OF DIRECTORS REGARDING THE BID

9.1 Preliminary considerations

The Board of Directors highlights that, as stated in the relevant fact of 16 April 2018 (registry number 264,183), until the relevant facts made public by the Bidder on 5 April 2018 before the opening of the market, neither the Board of Directors nor the Investment Manager were aware of the acquisition by the Bidder of shares representing 16.56% of the share capital of the Company or of the Bidder's intention to launch the Bid. Therefore, the Bid was neither solicited by the Company nor is it part of a strategic plan by Hispania, and the terms and conditions of the Bid were neither negotiated by the Company nor known to the Company before the public disclosure of the Bid on 5 April 2018.

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9.2 Considerations with regard to the Bidder's intentions as to the purpose of the Bid and its future strategy for Hispania

According to the Prospectus for the admission to trading of Hispania's shares on the Spanish stock exchanges, approved and registered with the CNMV's official registry on 3 March 2014 (number 10,390), and without prejudice to the Company's indefinite duration as stated in its articles of association, the value return strategy set as from the time the Company went public and subsequently endorsed by the shareholders, entails the liquidation of its entire assets portfolio by no later than 14 March 2020 in the terms of the value return strategy disclosed by the Company to the market through relevant fact on 28 February 2017, without the necessity of the decision being previously subject to a vote at a General Meeting of Shareholders.

In connection with the above, the Prospectus indicates the Bidder's intention to replace such strategy with a new strategy of maintenance and active management of all or part of the current portfolio of Hispania for an estimated period of three to seven years, promoting the adoption of the necessary corporate resolutions by the General Shareholders' Meeting. Likewise, the Bidder's intention is to review the Investment Management Agreement and to entrust, as soon as reasonably practicable—but no later than 2020—the management of Hispania's portfolio to HI Partners. In this regard, the Board of Directors has no knowledge of any agreement between the Bidder and Azora Gestión other than as indicated in section 5.1 of this report.

Furthermore, the Board of Directors notes the following considerations with regard to the Bidder's statements on the Bid's purpose and the Company's future strategy:

- a) The Bidder notes its intention to promote the delisting of the shares of Hispania from the Stock Exchanges in accordance with the procedure established in article 11.d) of Royal Decree 1066/2007, through an order to purchase at the Bid Price, in the event the acceptance of the Bid does not reach the necessary threshold for the Bidder's exercise of its squeeze-out right;
- b) In relation to the above, the Bidder foresees that the delisting of Hispania from the Stock Exchanges will entail the loss of the SOCIMI tax regime and notes the potential modification of the Company's dividend policy in the future;
- c) The Bidder indicates its intention to optimize the Company's financial structure following the Bid, without specifying the potential changes to the Company's financial policy and the cost and level of indebtedness;
- d) The Bid contemplates the replacement (in connection with the hotel-asset portfolio of the Company) of Azora Gestión by HI Partners, a company controlled by funds managed by entities of the Blackstone group, as soon as reasonably practicable—but no later than 2020 (which, depending on the circumstances prevailing at the time of such substitution, may determine the payment of an indemnification to the Investment Manager).

Thus, the Board of Directors notes that—if the Bid is successful—the shareholders of Hispania deciding not to accept the Bid and not selling their shares in the market or to the Bidder after the Bid, either by exercising their squeeze-out rights or in the order to purchase to be launched by the

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Bidder, they would become minority shareholders of a private company not subject to the SOCIMI regime, would not have immediate liquidity for its investment in the secondary markets and would be exposed to a potential decrease in the amount and frequency of dividends and the modification of the cost and level of indebtedness of the Company in the future.

9.3 Considerations in connection with the consideration offered

In relation to the cash consideration offered of 18.25 euros per Hispania share, as mentioned in section 4.2 above, the Board of Directors has received opinions dated 28 June 2018 from Goldman Sachs, J.P. Morgan and UBS in which these entities conclude that, subject to and on the basis of the assumptions and limitations expressed therein, the Bid Price of 18.25 euros per share of Hispania is fair, from a strictly financial point of view and as of 28 June 2018, to Hispania's shareholders (other than the Bidder, its affiliated companies and the entities which, as described above, have executed and delivered irrevocable undertakings to accept the Bid).

9.4 Opinion of the Board of Directors

In accordance with article 24 of Royal Decree 1066/2007, the Board of Directors is required to issue a detailed and reasoned report on the takeover bids for shares of the Company that have been authorised by CNMV.

Based on the considerations and opinions expressed herein, as well as on the information contained in the Prospectus, in view of all the terms and characteristics of the Bid, and its effect on the Company's interests, the Board of Directors considers that the Bid Price is attractive and reflects the value of the shares of Hispania and, therefore, expresses a favourable opinion regarding the Bid.

In any case, the shareholders are those who must ultimately decide, depending on their particular interests and situations, whether or not to accept the Bid.

9.5 Individual opinion of the directors

This report has been approved by the unanimous vote of the directors in attendance, without any member of the Board of Directors having individually expressed any opinion dissenting from the collective opinion of the Board of Directors.

10. INTENTION NOT TO ACCEPT THE BID IN CONNECTION WITH THE OWN SHARES HISPANIA HOLDS IN TREASURY

With regard to the own shares that the Company holds in treasury, which, as of the date of this report, amount to 132,288 shares representing 0.12% of Hispania's share capital, the Board of Directors declares its intention to accept the Bid at the Bid Price, in line with the opinion expressed by the Board of Directors in connection with the Bid.

11. INTENTION OF THE DIRECTORS NOT TO ACCEPT THE BID

Regarding the intentions of the directors with a share in Hispania in connection with the Bid, the following is noted:

- a) Mr Joaquín Ayuso García, who holds 13,125 shares, representing 0.012% of Hispania's share capital, has expressed his decision to accept the Bid with all the shares he holds.

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- b) Mr Luis Alberto Mañas Antón who holds 13,125 shares, representing 0.012% of Hispania's share capital, has expressed his decision to accept the Bid with all the shares he holds.
- c) Mr Joaquín Ayuso García who holds 21,858 shares, representing 0.020% of Hispania's share capital, has expressed his decision to accept the Bid with all the shares he holds.

Moreover, as mentioned in sections 5.1 and 5.4, Mrs María Concepción Osácar Garaicoechea and Mr Fernando Gumuzio Íñiguez de Onzoño, each an indirect holder of 50% of the share capital of Azora Altus, S.A., which, in turn, is, indirectly, the controlling shareholder of Azora Gestión with a 75% of the share capital, have expressed that Azora Altus, S.A. and its subsidiaries Azora Capital, S.L and Azora Gestión, have irrevocably undertaken to accept the Bid in respect of their 1,170,347 Hispania shares.

* * *

Madrid, 28 June 2018

This document is a free translation of the original document in Spanish for information purposes only. In the event of any discrepancy between this free translation and the original document drafted in Spanish, the original document in Spanish shall prevail



Annex I. Opinions issued by Goldman Sachs, J.P. Morgan and UBS

PERSONAL AND CONFIDENTIAL

June 28, 2018

Board of Directors
Hispania Activos Inmobiliarios SOCIMI, S.A.
Serrano 30, 2nd floor
28001 Madrid, Spain

Ladies and Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to the holders (other than Alzette Investment S.à r.l. (the "Offeror"), any of its affiliates, and the Committed Shareholders (as defined below)) of the outstanding shares, par value €1.00 per share (the "Shares"), of Hispania Activos Inmobiliarios SOCIMI, S.A. (the "Company") of the €18.25 in cash per Share (the "Consideration") to be paid to such holders in the Offer (as defined below) pursuant to the terms described in the explanatory prospectus published by the Offeror, a company indirectly controlled by The Blackstone Group L.P. ("Blackstone"), on June 12, 2018 (the "Original Prospectus"), as amended by the supplement thereto published by the Offeror on the date of this opinion (the Original Prospectus, as so amended, the "Prospectus"). The Prospectus provides for a voluntary tender offer for all of the Shares (other than the Shares owned by the Offeror) pursuant to which, subject to the satisfaction or waiver of certain conditions set forth in the Offer, the Offeror will pay the Consideration for each Share accepted (the "Offer"). We note that the Prospectus provides that, following consummation of the Offer, and subject to satisfaction of certain conditions, the Offeror intends to consummate a squeeze-out (the "Squeeze Out") in which all remaining public shareholders of the Company would receive the Consideration paid pursuant to the Offer, as to which Squeeze Out we express no opinion. As described in the Prospectus, the Consideration paid in the Offer shall be adjusted to the extent of any dividends distributed by the Company prior to its payment, as to which adjustments we express no opinion. You have advised us that on June 22, 2018 Azora Altus, S.A., Azora Capital, S.L. and the Investment Manager (as defined below) (collectively, the "Azora entities") irrevocably undertook to accept the Offer with respect to their respective Shares and that Canepa Management Ltd, as general partner of Row Fund I L.P. (controlling shareholder of Tamerlane S.à r.l. ("Tamerlane" and, collectively with the Azora entities, the "Committed Shareholders")) undertook on that date to cause the directors of Tamerlane to execute and deliver to the Offeror an irrevocable undertaking to accept the Offer in respect of its Shares.

Goldman Sachs International, Sucursal en España and its affiliates (collectively, "Goldman Sachs") are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default

swaps and other financial instruments of the Company, the Offeror, and any of their respective affiliates and third parties, including the Company's investment manager, Azora Gestión S.G.I.I.C., S.A.U. (the "Investment Manager"), and its affiliates and Blackstone and its affiliates and portfolio companies, or any currency or commodity that may be involved in the transactions contemplated by the Prospectus (the "Transaction"). We have acted as financial advisor to the Company in connection with its consideration of the Offer and other matters pursuant to our engagement by the Company. We expect to receive fees from the Company for our services in connection with the Offer, the principal portion of which will become payable upon the consummation of the Offer, and the Company has agreed to reimburse certain of our expenses arising, and indemnify us against certain liabilities that may arise, out of our engagement. We have provided certain financial advisory and/or underwriting services to the Company and/or its affiliates from time to time. We also have provided certain financial advisory and/or underwriting services to Blackstone and/or its affiliates and portfolio companies from time to time for which our Investment Banking Division has received, and may receive, compensation, including having acted as financial advisor to Hilton Worldwide Inc., a portfolio company of Blackstone, in the spin-off of its Timeshare and Real Estate divisions in January 2017, financial advisor to Optiv Security Inc., a portfolio company of Blackstone, in the sale of a majority stake in Optiv Security Inc. in February 2017, financial advisor to Blackstone Real Estate Advisors Europe in connection with its acquisition of Sponda Oyj in August 2017, financial advisor to Blackstone Real Estate Advisors Europe in connection with its sale of Logicor, a former portfolio company of Blackstone, in November 2017, bookrunner in connection with the repricing of \$1,700,000,000 and €770,000,000 term B loans of Gates Global LLC, a portfolio company of Blackstone, in February 2018, and bookrunner in connection with the \$1,500,000,000 unsecured notes offering by Hilton Worldwide Inc. in April 2018. We may also in the future provide financial advisory and/or underwriting services to the Company, the Offeror, Blackstone, the Investment Manager and their respective affiliates for which our Investment Banking Division may receive compensation. Affiliates of Goldman Sachs International, Sucursal en España also may have co-invested with Blackstone and its affiliates from time to time and may have invested in limited partnership units of affiliates of Blackstone from time to time and may do so in the future.

In connection with this opinion, we have reviewed, among other things, the Prospectus; the report of the Company's Board of Directors relating to the Offer to be filed with the Spanish Comisión Nacional del Mercado de Valores (the "CNMV") on the date of this opinion, in the form approved by you on the same date; annual reports to shareholders of the Company for the four years ended 31 December 2017; the international offering memorandum dated March 12, 2014 for the Company's initial public offering; the Company's *Documento de Registro* filed with the CNMV in April 2015; certain unaudited interim reports to shareholders and Quarterly Reports of the Company; certain other communications from the Company to its shareholders and the CNMV; certain publicly available research analyst reports for the Company; certain internal financial analyses and forecasts for the Company for the 2018-2022 period, including the unaudited European Public Real Estate Association ("EPRA") NAV and EPRA NNAV as of May 31, 2018, as prepared by the Investment Manager at the Company's instruction and approved for our use by the Company (the "Forecasts"), and a summary valuation report on the assets of the Company by CBRE Valuation Advisory, S.A. as of May 31, 2018. We also have held discussions with the Company regarding their assessment of the past and current business operations, financial condition and future prospects of the Company; reviewed the reported price and trading activity for the Shares; compared certain financial and stock market information for the Company with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the European real estate industry; and performed such other studies and analyses, and considered such other factors, as we deemed appropriate.

For purposes of rendering this opinion, we have, with your consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, us, without assuming any responsibility for independent verification thereof. In that regard, we have assumed with your consent that the Forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of Azora on behalf of the Board of Directors of the Company. We have not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Company or any of its subsidiaries and we have not been furnished with any such evaluation or appraisal. We have assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Offer will be obtained without any adverse effect on the expected benefits of the Offer in any way meaningful to our analysis. We have assumed that the Offer will be consummated on the terms set forth in the Prospectus, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to our analysis.

Our opinion does not address the underlying business decision of the Board of Directors of the Company to recommend the Offer, or the relative merits of the Transaction as compared to any strategic alternatives that may be available to the Company, including the direct or indirect sale of the assets in the Company's portfolio; nor does it address any legal, regulatory, tax or accounting matters. This opinion addresses only the fairness from a financial point of view to the holders (other than the Offeror, any of its affiliates, and the Committed Shareholders) of Shares, as of the date hereof, of the Consideration to be paid to such holders in the Offer pursuant to the Prospectus. We do not express any view on, and our opinion does not address, any other term or aspect of the Transaction or any term or aspect of any other agreement or instrument contemplated by the Prospectus or entered into or amended in connection with the Transaction, including the fairness of the Offer or Transaction to, or any consideration received in connection therewith by, the Offeror, any of its affiliates, the Committed Shareholders, and the holders of any other class of securities, creditors, or other constituencies of the Company; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Company, or class of such persons, or the Investment Manager, in connection with the Transaction, whether relative to the Consideration proposed to be paid to the holders of Shares pursuant to the Offer or otherwise. We are not expressing any opinion as to the prices at which the Shares will trade at any time or as to the impact of the Transaction on the solvency or viability of the Company or the Offeror or the ability of the Company or the Offeror to pay their respective obligations when they come due. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof and we assume no responsibility for updating, revising or reaffirming this opinion based on circumstances, developments or events occurring after the date hereof. Our advisory services and the opinion expressed herein are provided solely for the information and assistance of the Board of Directors of the Company in connection with its consideration of the Offer and such opinion does not constitute a recommendation as to whether or not any holder of Shares should tender such Shares in connection with the Offer or any other matter. This opinion has been approved by a fairness committee of Goldman Sachs.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Consideration to be paid to the holders (other than the Offeror, any of its affiliates, and the Committed Shareholders) of Shares in the Offer pursuant to the Prospectus is fair from a financial point of view to such holders.

Very truly yours,

GOLDMAN SACHS INTERNATIONAL, SUCURSAL EN ESPAÑA

A handwritten signature in black ink, enclosed within a large, irregular oval scribble. The signature appears to be 'Juan de Dios Gómez-Vizcarra'.

By: JUAN DE DIOS GÓMEZ-VIZCARRA
Managing Director

Strictly Confidential

June 28, 2018

The Board of Directors

Hispania Activos Inmobiliarios SOCIMI, S.A. (the "Company")

Address: C/ Serrano 30, 2º izq, 28001 Madrid

Members of the Board of Directors:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of the ordinary shares, of par value one euro (€1) each (the "Company Shares"), in the share capital of the Company of the Consideration (as defined below) to be paid to such shareholders other than members of the Acquiror Group and the Accepting Shareholders as defined below (the "Shareholders") by Alzette Investment S.à r.l. (the "Acquiror"), a company controlled and wholly owned by entities advised by affiliates of The Blackstone Group International Partners LLP ("Blackstone" and, together with the Acquiror, the "Acquiror Group") pursuant and subject to the terms and conditions of the voluntary tender offer (the "Offer") set forth in the prospectus (*folleto explicativo de la oferta pública voluntaria de adquisición de acciones de Hispania Activos Inmobiliarios SOCIMI, S.A. formulada por Alzette Investment S.à r.l.*) dated June 6, 2018, which was approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores* or the "CNMV") on June 12, 2018 and its supplement (*Suplemento al folleto explicativo de la oferta pública voluntaria de adquisición de acciones de Hispania Activos Inmobiliarios SOCIMI, S.A. formulada por Alzette Investment S.à r.l.*) dated June 27, 2018 and approved by the CNMV on June 28, 2018 (the initial Offer prospectus and its supplement, the "Prospectus").

As set out in the Prospectus and the Offer announcements published pursuant to article 22 of the Spanish Royal Decree 1066/2007 of July 27, 2007, on takeover offers (the "Spanish Takeover Regulations"), the Acquiror is offering to acquire all the Company Shares (other than those already held by the Acquiror Group) for €18.25 in cash per Company Share (the "Consideration"). As at the date of the Prospectus the Acquiror Group owned 18,073,095 Company Shares representing 16.56% of the Company's issued and outstanding share capital. As further detailed in the Prospectus, the Offer is subject to (i) acceptance by shareholders holding at least 36,511,677 Company Shares, and (ii) the Company not approving certain changes to its bylaws, corporate transactions and/or incurring additional indebtedness before the settlement of the Offer. As disclosed by the Acquiror in the Prospectus, Azora Altus, S.A., Azora Capital, S.L., Azora Gestión and Tamerlane S.à r.l. (the "Accepting Shareholders") have irrevocably undertaken vis-à-vis the Acquiror to tender their 6,420,347 Company Shares under the Offer.

Please be advised that while certain provisions of the Offer are summarised above, the terms of the Offer are more fully described in the Prospectus. As a result, the description of the Offer and certain other information contained herein are qualified in its entirety by reference to the more detailed information appearing or incorporated by reference in the Prospectus.

J.P. Morgan Securities plc

25 Bank Street, Canary Wharf, London, E14 5JP
Tel: +44 (0)20 7742 4000 • Fax: +44 (0)20 3493 0684

Registered in England & Wales No. 2711006. Registered Office 25 Bank Street, Canary Wharf, London, E14 5JP.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

In arriving at our opinion, we have (i) reviewed the Prospectus; (ii) reviewed certain publicly available business and financial information concerning the Company, the industries in which it operates and certain other companies engaged in businesses comparable to them; (iii) compared the financial terms of the Offer with the publicly available financial terms of certain transactions involving companies we deemed relevant and the consideration paid for such companies; (iv) compared the financial and operating performance of the Company with publicly available information concerning certain other companies we deemed relevant and reviewed the current and historical market prices of the Company Shares and certain publicly traded securities of such other companies; (v) reviewed certain internal, unaudited financial analyses, projections, assumptions and forecasts prepared by the investment manager of the Company, Azora Gestión, S.G.I.I.C., S.A. (the “Investment Manager”), at the direction of the Company, relating to the Company’s business for the period comprised between 2018 and 2022; (vi) reviewed the audited individual and consolidated financial statements of the Company and its subsidiaries for the financial periods ended on December 31, 2017, 2016, 2015 and the unaudited consolidated interim financial statements as of March 31, 2018; (vii) reviewed the appraisal valuations prepared by CBRE Valuation Advisory, S.A. as of May 31, 2018, the conclusion of which was published by the Company on June 22, 2018; (viii) reviewed the estimated NAV projections for May 2018 prepared by the Investment Manager at the direction of the Company; (ix) reviewed the contents of the public disclosure (*hecho relevante*) made by the Board of Directors of the Company on June 22, 2018 in connection with the Offer; and (x) performed such other financial studies and analyses and considered such other information as we deemed appropriate for the purposes of this opinion.

In addition, we have held discussions with certain members of the Board of Directors of the Company and certain members of the management team of the Investment Manager with respect to certain aspects of the Offer, the past and current business operations of the Company, the financial condition and future prospects and operations of the Company, and certain other matters we believed necessary or appropriate to our inquiry.

In giving our opinion, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by the Company, the Investment Manager or otherwise reviewed by or for us. We have not independently verified any such information or its accuracy or completeness and, pursuant to our engagement letter with the Company, we did not assume any obligation to undertake any such independent verification. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities (other than the appraisal valuations referred to above), nor have we (i) made any physical inspection of the Company’s properties or assets, or (ii) evaluated the solvency of the Acquiror Group or the Company under any laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses, projections, assumptions and forecasts provided to us or derived therefrom, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by the Investment Manager, at the direction of the Company, as to the expected future results of operations and financial condition of the Company or business to which such analyses, projections, assumptions and forecasts relate. We express no view as to such analyses, projections or forecasts or the assumptions on which they were based, and the Company has confirmed that we may rely upon such analyses, projections, assumptions and forecasts in the delivery of this opinion. We have also assumed that the Offer and the

other transactions contemplated in the Prospectus will be consummated as described in the Prospectus. We are not legal, regulatory, accounting or tax experts and have relied on the assessments made by the Company, the Investment Manager and advisors to the Company with respect to such issues. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Offer will be obtained without any adverse effect on the Company, or on the contemplated benefits of the Offer. In giving our opinion, we have relied on the Company's commercial assessment of the Offer. The decision as to whether or not the Company enters into an Offer (and the terms on which it does so) is one that can only be taken by the Company.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

Our opinion is limited to the fairness, from a financial point of view, of the Consideration to be paid to the Shareholders in the Offer, and we express no opinion as to the fairness or adequacy of the Offer, or any consideration paid in connection therewith, to the holders of any other class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Offer. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors or employees of any party to the Offer, or any class of such persons relative to the Consideration to be paid to the Shareholders in the Offer or with respect to the fairness or adequacy of any such compensation. As a result, other factors after the date hereof may affect the value of the Company (and its business, assets or properties) after consummation of the Offer, including but not limited to (i) the total or partial disposition of the share capital of the Company by shareholders of the Company prior to, or within a short period of time after, the consummation of the Offer, (ii) changes in prevailing interest rates and other factors which generally influence the price of securities, (iii) adverse changes in the current capital markets, (iv) the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of the Company, (v) any necessary actions by or restrictions of governmental agencies or regulatory authorities, and (vi) the timely execution of all necessary agreements to complete the Offer on the terms and conditions set forth in the Prospectus. No opinion is expressed as to whether any alternative transaction might be more beneficial to the Company or the Shareholders.

We have acted as financial advisor to the Company with respect to the Offer and will receive a fee from the Company for our services, a substantial portion of which will become payable only if the Offer is consummated. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. Please be advised that during the two years preceding the date of this letter, neither we nor our affiliates have had any other significant financial advisory or other significant commercial or investment banking relationships with the Company, the Acquiror or Blackstone. However, during the two years preceding the date of this letter, we and our affiliates have had commercial and/or investment banking relationships with portfolio companies of Blackstone that are unrelated to the Offer, for which we and such affiliates have received customary compensation. Such services during such period have included debt syndication, equity and debt underwriting and financial advisory services for such

portfolio companies. In addition, we and our affiliates hold, on a proprietary basis, 2.17% of the outstanding common stock of the Company and we and our affiliates hold, on a proprietary basis, 3.61% of the outstanding common stock of Blackstone. In the ordinary course of our businesses, we and our affiliates may actively trade the debt and equity securities of the Company or Blackstone (or any of their respective affiliates and/or portfolio companies) for our and our affiliates own accounts or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities.

On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the Consideration to be paid to the Shareholders in the Offer is fair, from a financial point of view, to such Shareholders.

This opinion is rendered in English. If this opinion is translated into any language other than English, this English version shall always prevail.

This letter is provided to the Board of Directors of the Company in connection with and for the purposes of its evaluation of the Offer. This opinion is not addressed to and may not be relied upon by any third party including, without limitation, employees, creditors or shareholders of the Company. Therefore, this opinion does not confer rights or remedies on any person other than the Board of Directors of the Company. This opinion does not constitute a recommendation to any of the Shareholders as to how such Shareholders should vote or decide with respect to the Offer or any other matter. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval. This opinion may be reproduced in full in any report to be issued by the Board of Directors of the Company pursuant to article 24 of the Spanish Takeover Regulations but may not otherwise be disclosed publicly in any manner without our prior written approval.

Very truly yours,

J.P. MORGAN SECURITIES PLC





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STRICTLY PRIVATE & CONFIDENTIAL

HISPANIA ACTIVOS INMOBILIARIOS SOCIMI, S.A.

For the attention of: Hispania's Board of Directors

Madrid, 28 June 2018

Dear Sirs,

We refer to the voluntary tender offer launched by Alzette Investment S.à r.l., a company controlled and wholly owned by entities advised by affiliates of The Blackstone Group International Partners LLP ("Blackstone" or the "Offeror"), for the entire issued and outstanding share capital of Hispania Activos Inmobiliarios SOCIMI, S.A. (the "Company", "Hispania" or "you") excluding the 18,073,095 shares already owned by the Offeror. The terms and conditions of the initial voluntary tender offer (the "Initial Offer") are set forth in the prospectus (*folleto explicativo de la oferta pública voluntaria de adquisición de acciones de Hispania Activos Inmobiliarios SOCIMI, S.A. formulada por Alzette Investment S.à r.l.*) dated 6 June 2018, which was approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on 12 June 2018. However, the Offeror announced on 22 June 2018 that it had decided to amend the Initial Offer and increase the compensation per Hispania share to EUR 18.25, payable fully in cash, to be adjusted by certain dividends or equivalent distributions approved or paid by the Company prior to the settlement of the Offer (the "Consideration"). The modification of the Initial Offer (the "Improved Offer") (the Initial Offer and the Improved Offer, the "Offer" or the "Transaction") is further described in the supplement (*Suplemento al folleto explicativo de la oferta pública voluntaria de adquisición de acciones de Hispania Activos Inmobiliarios SOCIMI, S.A. formulada por Alzette Investment S.à r.l.*) dated 27 June 2018, which was approved by the Spanish National Commission on 28 June 2018 (the prospectus and the supplement to the prospectus, the "Prospectus"). The Offer is subject to, among other conditions, acceptance by shareholders of the Company holding the number of shares required for the Offeror to hold 50% plus 1 share in the Company. Considering that as at the date of the Prospectus the Offeror held 18,073,095 shares in Hispania (representing 16.56% of Hispania's share capital), the minimum acceptance condition would be satisfied if at least 36,511,677 Hispania shares are tendered under the Offer. As disclosed by the Offeror in the Prospectus, Azora Altus, S.A., Azora Capital, S.L., Azora Gestión and Tamerlane S.à r.l. (the "Accepting Shareholders") have irrevocably undertaken vis-à-vis the Offeror to tender their 6,420,347 Hispania shares under the Offer.

In connection with the Transaction, you have requested UBS Limited ("**UBS**") to provide the Board of Directors of Hispania with an opinion as to the fairness or adequacy, from a financial point of view, of the Consideration to be received by the holders of ordinary shares in the Company (excluding the Offeror and its affiliates and the Accepting Shareholders).

UBS has acted as financial adviser to the Company in connection with the Transaction and will receive a fee from the Company for its services, a substantial portion of which will become payable upon the consummation of the Transaction. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement.

From time to time, UBS, other members of the UBS Group (which for the purpose of this letter means UBS Group AG and any subsidiary, branch or affiliate of UBS Group AG) and their predecessors may have provided (and currently are providing) investment banking services to the

Company, the Offeror or any of their respective affiliates or related parties un-related to the Transaction and received (and expect to receive) customary compensation for the rendering of such services. In the ordinary course of business, UBS, UBS AG and their successors and affiliates may trade securities of the Company or the Offeror (or any of their respective affiliates) for their own accounts or for the accounts of their customers and, accordingly, may at any time hold long or short positions in such securities.

Our opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to the Company and/or for its shareholders. At your direction, we have not been asked to, nor do we, offer any opinion as to the material terms of the Transaction (other than the Consideration, and only to the extent expressly specified in this letter), the form of the Transaction or any other aspect or effect of the Offer or of any other agreement or arrangement entered into in connection with, or related to, the Offer. Furthermore, this opinion does not refer to any consideration due or paid to the holders of any other class of securities or creditors of the Company, or to any officers, directors or employees of any party to the Offer relative to the Consideration to be paid to the Company's shareholders in the Offer. Our opinion does not constitute an offer by us nor does it represent a price at which we would be willing to purchase, sell, enter into, assign, terminate or settle any transaction. The valuation herein is not an indicative price quotation and, in particular, it does not necessarily reflect such factors as hedging and transaction costs, credit considerations, market liquidity and bid-ask spreads, all of which could be relevant in establishing an indicative price for the Company's ordinary shares. A valuation estimate for any transaction does not necessarily suggest that a market exists for the Transaction. In rendering this opinion, we have assumed, with your consent, that the Offer as consummated will not differ in any material respect from that described in the Prospectus, without any adverse waiver or amendment of any material term or condition thereof, and that the Offeror will comply with all material terms in the Prospectus.

In determining our opinion, we have used customary valuation methodologies as we have deemed necessary or appropriate for the purposes of this opinion. In particular, we have, among other things:

- i) reviewed certain publicly available business and historical financial information relating to the Company;
- ii) reviewed audited financial statements of the Company, including but not limited to, the 2015, 2016 and 2017 audited consolidated annual accounts, and the consolidated unaudited financial statements as of 31 March 2018;
- iii) reviewed certain internal unaudited financial information and other data relating to the business and financial prospects of the Company, including estimates and financial forecasts prepared by Azora Gestión, S.G.I.I.C., S.A.U., the Company's investment manager (the "**Investment Manager**"), relating to the financial years 2018 to 2022 (both included), that were provided to us, are not publicly available and that you have directed us to use for the purposes of our analysis;
- iv) conducted discussions with, and relied on statements made by, directors of the Company and members of the senior management of the Investment Manager concerning the business(es) and financial prospects of the Company;
- v) reviewed current and historic share prices and EPRA NAV and EPRA NNNAV of the Company, including a summary of the appraisal reports prepared by CBRE Valuation Advisory, S.A. ("CBRE") for 31 December 2017 and 31 May 2018, provided to us by the Investment Manager;
- vi) reviewed publicly available financial and stock market information with respect to certain other companies in lines of business we believe to be generally comparable to those of the Company;

- vii) compared the financial terms of the Transaction with the publicly available financial terms of certain other transactions which we believe to be generally relevant;
- viii) reviewed existing analyst research publications and price targets for the Company;
- ix) reviewed the Offer documentation, including the Prospectus; and
- x) conducted such other financial studies, analyses, and investigations, and considered such other information, as we deemed necessary or appropriate.

As you are aware, the financial and operating characteristics of the Company cause its financial results to have limited comparability, for valuation purposes, to those of other companies and transactions that we have reviewed and, accordingly, we have relied primarily on a discounted cash flow analysis of the forecasts and estimates provided to us by the Investment Manager on behalf of the Company for purposes of our opinion.

In connection with our review, at your direction, we have assumed and relied upon, without independent verification, (i) the accuracy and completeness of the information that was publicly available or was furnished to us by the Investment Manager on behalf of the Company or otherwise reviewed by us for the purposes of this opinion, and (ii) that no relevant information was undisclosed or omitted to us. We have not assumed, and we do not assume, any responsibility or liability for any such information or circumstances. In addition, at your direction, we have not made (i) any independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of the Company, as we have been furnished with a summary appraisal report from CBRE updated as of 31 May 2018, nor (ii) any physical inspection of the Company's properties or assets.

With respect to the financial forecasts and estimates prepared by the Investment Manager on behalf of the Company as referred to above, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the Investment Manager as to its future performance. In addition, we have assumed, with your approval, that the future financial forecasts and estimates referred to in section iii) above will be realised in the amounts and time periods contemplated thereby.

To the extent we have relied on publicly available financial forecasts from various equity research analysts, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by the analysts as to the expected future results of operations and financial condition of the Company.

With respect to draft unaudited financial statements of the Company covering periods ending prior to and dates prior to the date hereof, we have assumed that such unaudited financial statements reflect the results that will ultimately be reported in the audited financial statements of the Company, respectively, for such periods and dates.

We have also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction have been obtained prior to the date hereof without any amendment or material adverse effect on the Company, the Offeror or the Transaction. Our opinion is necessarily based on the economic, regulatory, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof (save as otherwise specified above in relation to certain information). It should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or reaffirm.

We accept no responsibility for any legal, accounting, tax or other data and commercial assumptions on which this opinion is based. Furthermore, our opinion does not address any legal, regulatory, taxation or accounting matters related to the Company or the Transaction, as to which

we understand that the Company has obtained such advice as it deemed necessary from qualified professionals.

Based on and subject to the contents of this letter, it is our opinion, as of the date hereof, that the Consideration offered is fair, from a financial point of view, to the shareholders of Hispania (other than the Offeror and its affiliates and the Accepting Shareholders).

This letter and the opinion are provided solely for the benefit of the Board of Directors of the Company in connection with and for the purposes of their consideration of the Transaction. This letter is not addressed to, and shall not confer rights or remedies upon, nor may not be relied upon by, any third party including, without limitation, employees, creditors or shareholders of the Company. This opinion does not constitute a recommendation by UBS to any holder of securities of the Company or any other person to take any action in relation to the Transaction, whether to tender their shares under the Offer or not, or how to act on any matter related to the Transaction or on any other matters, and it does not constitute any form of assurance by UBS as to the financial condition of the Company.

This opinion is rendered in English. If this opinion is translated into any language other than English, this English version shall always prevail.

This letter may not be used for any other purpose, or reproduced (other than for the Board of Directors, acting in such capacity, and, on a no-reliance basis, its advisers), disseminated or quoted at any time and in any manner without our prior written consent, save that it may be disclosed (in whole but not in part) together with the report to be issued by the Board of Directors of the Company pursuant to article 24 of the Spanish Royal Decree 1066/2007, of 27 July, on takeover offers. This letter and the opinion are made without legal liability or responsibility on our part. We accept no responsibility to any person other than the Board of Directors of the Company in relation to the contents of this letter, even if it has been disclosed with our consent.



Yours faithfully
UBS Limited

