



*Excellent exposure to flagship hotel
properties*

*Corporate Presentation
October 2023*



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The only listed company with a Value-Added focus on luxury hotels and presence in Spain and Portugal

 PLATFORM	 PORTFOLIO FIGURES 1H23	 FINANCIAL METRICS 1H23	
<p>4* & 5* Hotels in prime locations in major Spanish tourist cities and in Portugal.</p> <p>+20 years average experience among the management team</p> <p>Best-in-class Corporate Governance</p> <p>Stable shareholder Castlelake (49,72%)</p>	<p>+13 hotels</p> <p>>1,300 rooms</p> <p>100% hotels in prime locations in major Spanish cities</p> <p>4* superior, 5* and boutique hotels</p> <p>LEED Gold Certification is the goal for all hotels under construction</p>	<p>€632M GAV ⁽¹⁾ 68% in operation 14 under conversion 18 under development</p> <p>50% of GAV located in Madrid <i>on the Alcalá Gran Vía axis, one of the most highly-priced and luxurious areas of the capital and one of the most exclusive in Europe</i></p> <p>Increase in asset value of +€4.6M , <i>due to the quality and value potential of the MHRE portfolio in a market environment with widespread declines</i></p>	<p>+ 21% revaluation in hotels in operation (GAV⁽¹⁾/Acquisition Cost⁽³⁾) +6.6%, total portfolio</p> <p>Low LTV leverage level⁽²⁾ 15,1% (Gross LTV 26,6%)</p> <p>90% of the debt matures after January 2026</p> <p>EPRA NTA €4.71/share (+1% vs 2022)</p>

(1) Valuation as at June 30, 2023, by independent experts.

(2) Net Debt/GAV

(3) Acquisition price + capex+ transaction cost

The only listed real estate company with a Value-Added focus on luxury hotels and presence in Spain and Portugal

Growth and Quality Model

Prime Assets Strategy
+
Defensive and profitable structure

We operate in a growing market

- **Acquisition of flagship Real Estate assets in prime areas of major tourist cities in Spain and Portugal**, with might be hotels in operation or properties with potential to become luxury hotels.
- **Unique positioning in luxury hotels and prime locations:** 4-star superior, 5-star, resorts and grand luxury boutique hotels.
- MHRE combines value creation through transformation and repositioning of acquired assets, and through **active management of lease agreements with tier 1 operators, under a scheme with guaranteed fixed rent plus variable rent indexed to the hotel's profits**, which helps boost the sector and maximize returns while minimizing risks
- Financial discipline.
- **The tourism sector is the main industry in Spain**, representing 14% of Spanish GDP in 2019. After the pandemic, it is expected to remain one of the main driving forces of the country's economy
- The Spanish and Portuguese hotel industry mostly developed the medium price and volume tourism segments, and the **luxury hotel offer remains very limited**, with considerable growing demand from premium clients and high-quality international operators keen to enter and gain presence in Spain
- **In 1H23, hotel investment stood at €1.383 billion, after an excellent 2022 in which this figure reached €3.279 billion.** A consolidation of investor interest in urban areas can be seen, with the operations in Madrid and Barcelona in 5-star hotels being particularly significant.
- **The main hotel variables in the 5* segment in 2023 have continued to show signs of strength:**
 - ✓ 8.85% increase in ADR to July 2023, standing at €298.63
 - ✓ 9.46% increase in REVPAR to July, standing at €216.11



The only listed company with a Value-Added focus on luxury hotels and presence in Spain and Portugal

Aligned Shareholders and Management

- Shareholders who prioritize investment in quality assets, medium- and long-term value creation and dividends.
- Approximately 500 shareholders with a Free Float of 40%
- Management team with a successful track record, boasting over 20 years of average experience in Real Estate, the hotel industry and capital markets, highly qualified and committed to the Company's strategy
- Efficient and scalable personnel strategy

**Best-in-class corporate governance:
*Rigor, Experience and Independence***

- The Board of Directors comprises 10 best-in-class members
- Appointments and Remuneration and Audit and Control Committees, as well as an Executive Real Estate Committee

Profitability targets

- Average target yield over acquisition price above 6.5%.
- Target TSR (Total Shareholder Return) in stabilized portfolio >9%



Contract Structure is Built on Operator and Property Owner Alignment



Rent Structure	<ul style="list-style-type: none"> • Lease agreement base on a variable rent (70-75% of the hotel GOP) with a guaranteeing minimum fixed rent linked to CPI • Variable rent makes it possible to participate in the sector's bounce-back and maximize returns while minimizing risks
Guarantee	<ul style="list-style-type: none"> ▪ 12 months of bank guarantee
Contract Duration	<ul style="list-style-type: none"> • 20-year with break clauses every five years subject to performance test. • Operator business plan projections provided every five years and measured against market benchmark
Risk Mitigation	<ul style="list-style-type: none"> • Asset maintenance paid by hotel income through FF&E ⁽¹⁾ reserve • Prime locations allows for easy operator rotation in case of underperformance
Monitoring and Controls	<ul style="list-style-type: none"> • Supervision of the hotel's operations, positioning in the market, income evolution and maintenance

(1) Furniture Fixture and Equipment

Millenium Hospitality Real Estate great Evolution in 3 years

<p>1</p> <p>Millenium Hospitality RE is registered with a single shareholder: Javier Illán Plaza and began operations on 2018</p>	<p>2 February 2018</p> <p>MHRE acquires Eurostars Lucentum Hotel (Alicante)</p>	<p>3 May 2018</p> <p>MHRE acquires the building for Plaza Magdalena Hotel (Seville)</p>	<p>4 October 2018</p> <p>MHRE acquires Via Castellana Hotel (Madrid)</p>	<p>5 March 2019</p> <p>MHRE acquires the building for Gran Vía Bilbao Hotel (Bilbao)</p>	<p>6 April 2019</p> <p>MHRE acquires the second building for Plaza Magdalena Hotel (Seville)</p>	<p>7 April 2019</p> <p>MHRE acquires the buildings for Plaza San Francisco Hotel (Seville)</p>	<p>8 July 2019</p> <p>July 4, 2019, Millenium debuts with 250M€ of capitalization on BME Growth⁽¹⁾</p>	<p>9 October 2019</p> <p>MHRE acquires the buildings for Plaza de Canalejas Hotel (Madrid)</p>	<p>10 November 2019</p> <p>MHRE acquires Meliá Bilbao Hotel (Bilbao)</p>
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2018-2022

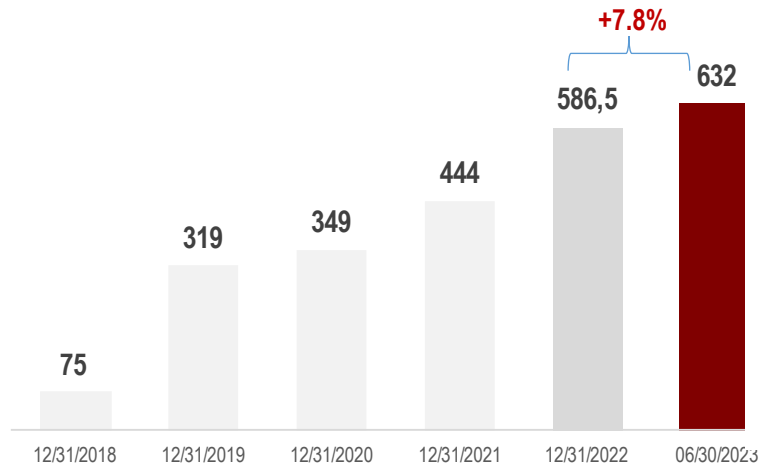
<p>11 December 2019</p> <p>MHRE acquires the land for the La Hacienda San Roque (Cádiz) project and 2 golf courses</p>	<p>12 1H20</p> <p>MHRE acquires several palaces to develop a 5** luxury boutique hotel in Cordoba</p>	<p>13 3Q20</p> <p>MHRE acquires Vista Eder Palace in San Sebastian to develop a 5** luxury boutique hotel</p>	<p>14 July 2021</p> <p>Approval of a Share Capital Increase of up to €250 M, to take place through 2 disbursements + 1st disbursement of 89.3M +</p> <p>Castlelake joins as main shareholder</p>	<p>15 December 2021</p> <p>MHRE acquires Alcalá 26, Madrid</p>	<p>16 January 2022</p> <p>MHRE sells Via Castellana Hotel (Madrid)</p>	<p>17 May 2022</p> <p>Millenium successfully completes its capital increase with a subscribed amount of 246 million euros.</p> <p>2nd disbursement of €156.4M</p>	<p>18 July 2022</p> <p>MHRE acquires Zorrilla 19 (Madrid)</p>	<p>19 October 2022</p> <p>MHRE acquires Hotel Iberostar las Letras Gran Vía (Madrid)</p>	<p>20 November 2022</p> <p>MHRE acquires El Palmar (Cadiz)</p>
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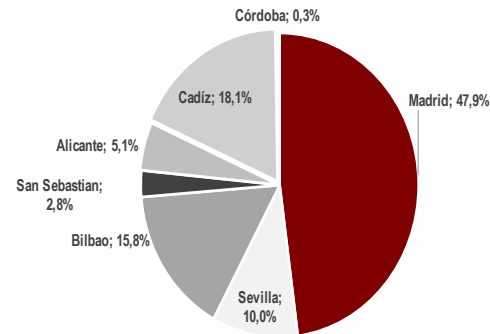
Sustainable Portfolio: All assets will have LEED Gold certification



Portfolio GAV performance ⁽¹⁾



GAV breakdown by location ⁽¹⁾



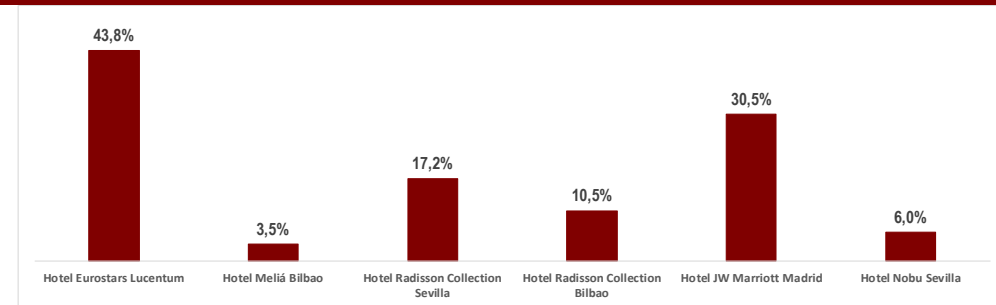
Estimated date of entry into operation of the assets

	Category	Sustainability certificate	Keys	Estimate opening date
Lucentum	4*		169	In operation
Meliá Bilbao	5*		211	In operation
Radisson Collection Sevilla	5*	Leed Gold	89	In operation
Radisson Collection Bilbao	5*	Leed Platinum	137	In operation
Iberostar Las Letras Gran Vía	4*		109	In operation
Hotel JW Marriot Madrid	5*	Leed Gold	139	In operation
Hotel Nobu Sevilla	5*	In process of Leed Gold	25	In operation
Nobu San Sebastian	5*	In process of Leed Gold	19	4Q23
La Hacienda San Roque	5*	In process of Leed Gold	213	2Q24
Zorrilla 19, Madrid (2)	5*	In process of Leed Gold	50	3Q24
Nobu Madrid	5*	In process of Leed Gold	50	2Q25
Palacetes de Córdoba (2)	5*	In process of Leed Gold	44	4Q26
El Palmar Cadiz (2)	5*	In process of Leed Gold	110	2Q27
TOTAL PORTFOLIO			1.365	

Data as at 30 June 2023

- ✓ 7.8% increase in GAV. In LfL terms, the increase was +0.8%.
- ✓ GAV⁽¹⁾/acquisition cost total portfolio: +6.6%; +21%⁽³⁾ in the portfolio of hotels in operation
- ✓ Capex
 - Implemented in 1H23 €40.8 million
 - Pending implementation €150 million.

GAV/Acquisition Cost hotels in operation ⁽⁴⁾ as at 30 June 2023
















(1) Source CBRE and Savills as at 30 June 2023
(2) Project being defined, consequently, the number of rooms could vary
(3) Hotel Lucentum, Hotel Meliá Bilbao, Hotel Radisson Bilbao, Hotel Radisson Sevilla, Nobu Hotel Sevilla and JW Marriot Hotel Madrid
(4) The Iberostar Las Letras hotel is not included as it is planned to be repositioned once the current rental contract ends

Overall view of the portfolio as at 30 June 2023

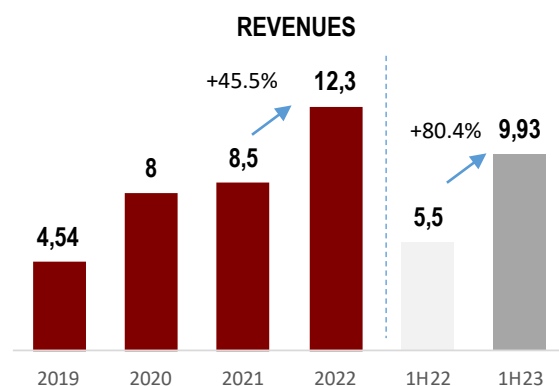
LEED Gold certification has been requested for all assets undergoing restructuring

Assets in portfolio with a GAV⁽¹⁾ of 632.1 million

GAV ⁽¹⁾ : 32.3 million	GAV ⁽¹⁾ : 51.6 million	GAV ⁽¹⁾ : 46.7 million	GAV ⁽¹⁾ : 48.5 million	GAV ⁽¹⁾ : 70.5 million	GAV ⁽¹⁾ : 165 million	GAV ⁽¹⁾ : 16.5 million	GAV ⁽¹⁾ : 17.6 million	GAV ⁽¹⁾ : 1.7 million	GAV ⁽¹⁾ : 36.23 million	GAV ⁽¹⁾ : 102 million	GAV ⁽¹⁾ : 31.13 million	GAV ⁽¹⁾ : 12.3 million
Alicante	Bilbao	Seville	Bilbao	Madrid	Madrid	Seville	San Sebastian	Córdoba	Madrid	Cádiz	Madrid	Cadiz
Hotel Lucentum	Meliá Bilbao	Plz. Magdalena	Hotel Gran Via	Hotel Iberostar Las Letras	Hotel JW Marriott	Hotel Nobu Seville	Hotel Nobu San Sebastian	Palacetes de Córdoba	C/Alcalá 26	Fairmont La Hacienda	C/Zorrilla 19	El Palmar
												
<ul style="list-style-type: none"> Bedrooms: 169 Category 4* Type: Leisure Operator: Eurostars Contract type: Fixed income until 2025. From 2025, variable income with a guaranteed minimum income Incorporated into the scope in 2018 	<ul style="list-style-type: none"> Bedrooms: 211 Category 5* Type: Bleisure Operator: Meliá Contract type: Fixed income Incorporated into the scope in November 2019 	<ul style="list-style-type: none"> Bedrooms: 89 Category 5* Type: Luxury Operator: Radisson Collection Contract type: Variable income with guaranteed minimum income Main building incorporated into the scope in 2018 and annex in 1H2019 LEED Gold Certificate 	<ul style="list-style-type: none"> Bedrooms: 137 Category 5* Type: Luxury Operator: Radisson Collection Contract type: Variable income with guaranteed minimum income Incorporated into the scope in 1H2019 LEED Platinum Certificate 	<ul style="list-style-type: none"> Bedrooms: 109 Category 4* Type: Bleisure Operator: Iberostar Contract type: Fixed income Incorporated into the scope in October 2022 	<ul style="list-style-type: none"> Bedrooms: 139 Category 5* Type: High-end Luxury Operator: JW Marriot Contract type: Variable income with guaranteed minimum income. Incorporated into the scope in October 2019. Consists of two buildings LEED Gold Certificate 	<ul style="list-style-type: none"> Bedrooms: 25 Category 5* Type: Boutique luxury Operator: Nobu Contract type: Variable income with guaranteed minimum income Incorporated into the scope in 2019. Consists of two buildings 	<ul style="list-style-type: none"> Bedrooms: 19 Category 5* Asset type: Boutique luxury Operator: Nobu Contract type: variable income with guaranteed minimum Included in the portfolio in 4Q20. 	<ul style="list-style-type: none"> Bedrooms: 44 Category 5* Type: boutique Operator: pending Included in the portfolio in 1H2020. Consists of converting different properties into a single hotel The project design is currently underway 	<ul style="list-style-type: none"> Bedrooms: 50 Category 5* Asset type: Luxury. Included in the portfolio in December 2021. Operator Nobu. Contract type: variable income with guaranteed minimum. 	<ul style="list-style-type: none"> Bedrooms: 213 Category 5* Type: Luxury resort with villas and golf courses Operator: Fairmont Contract type: Variable income with guaranteed minimum income Incorporated into the scope in December 2019. Consists of different plots of land, two golf courses and a clubhouse. 	<ul style="list-style-type: none"> Bedrooms: 50 Category 5* The project design is currently underway Operator Pending Incorporated into the scope in July 2022 	<ul style="list-style-type: none"> Bedrooms: 110 Category 5* Type: Luxury eco-resort The project design is currently underway Incorporated into the scope in November 2022 Operator Pending

(1) Valuation carried out on 30 June 2023 by independent experts.

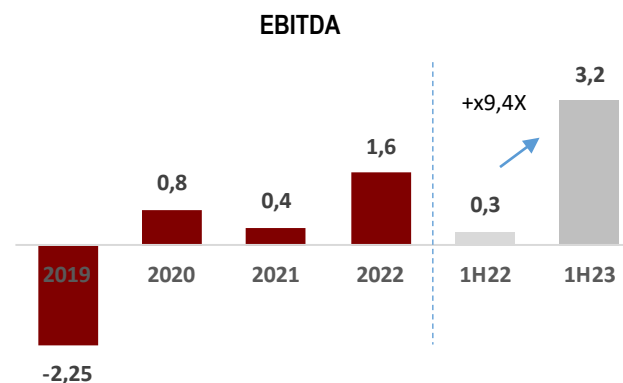
Excellent performance of key figures in 1H23



The revenue figure amounts to €9.93 million in 1H23, 80.4% more than in 1H22, thanks to the better performance of both the hotel business activity (+73.8% vs. 1H22) and the Golf courses business activity (+122.1% vs. 1H22). The reasons for this increase are as follows:

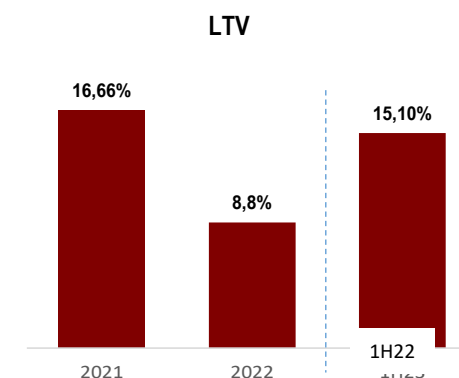
- The entry into operation of new hotels: JW Marriot Madrid and Nobu Seville, as well as the contribution during the entire half of the Radisson Bilbao (opened in March 2022) and Iberostar Gran Vía Las Letras (acquired on 27 October 2022) hotels.
- Update of the rents of the Meliá Bilbao hotel in line with the CPI (+5.7%)
- Improvement in Golf results as a result of the contribution of the La Hacienda Alcaidesa Links golf course, which was closed during the first half of 2022 due to renovation works.

Revenues are expected to continue improving in 2023 due to the additions of new hotels, the update of the Lucentum's rent and the golf courses' expected continuous improvement.



EBITDA⁽¹⁾ stands at €3.18 million, more than 9 times the 1H22 EBITDA, thanks to the improvement in the hotel business EBITDA vs. that registered in 1H22

- ✓ The optimisation of the company's structure and the increase in its size mean that the ratio of overheads⁽²⁾ to EPRA NTA at year-end is expected to be significantly below 1.5%, as established in the company's Management Policy.



The net LTV⁽¹⁾ debt ratio stands at 15.1% vs. 8.8% at year-end 2022. At the close of June 2023, the company held gross cash of 72.9 million, with the increase in financial debt this half being €48 million

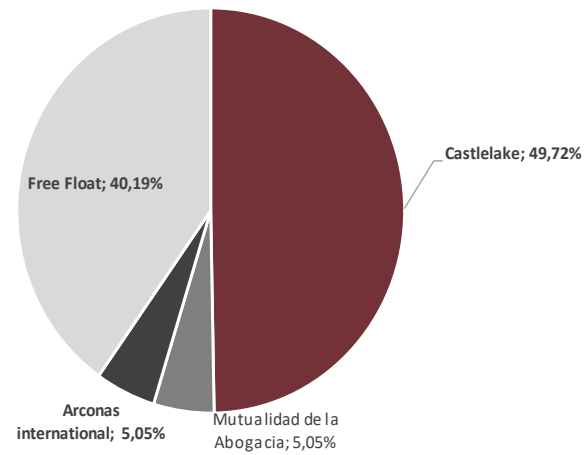
90% of the debt matures after 1 January 2026.

81.38% of the debt is fixed rate ⁽²⁾, with the average rate being 3.74%.

Improvement in EPRA NTA of 1% to €4.71/share in 1H23

(1) LTV: net debt/GAV at 30 June 2023.
(2) Includes debt with negotiated cap

Shareholder Structure



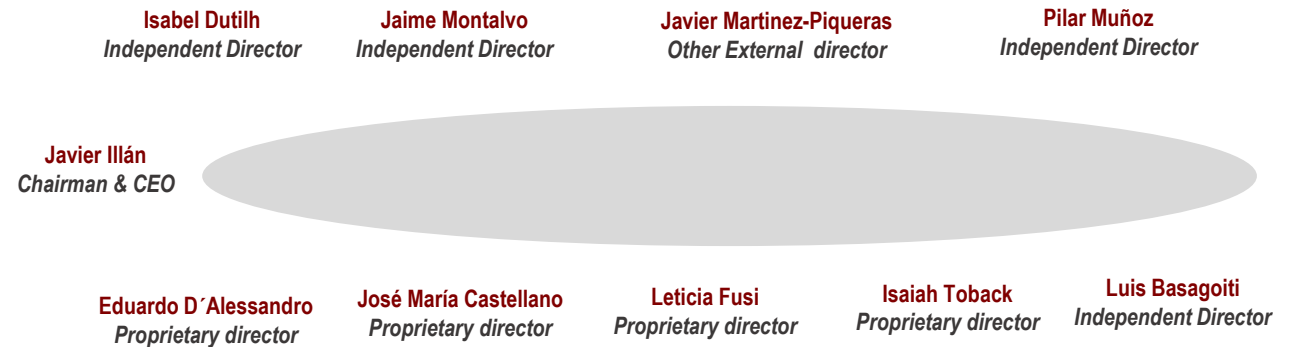
- **Castlelake has been the main shareholder of the Company since July 2021 (49.72%)**
- **Significant Free Float percentage: 40%**
- **More than 500 shareholders**





Board of Directors

Recognized Board of Directors



✓ The Board of Directors is comprised of 10 members.

✓ Committees:

- Audit and Control Committee
- Appointments and Remuneration Committee
- Executive Investment Committee

Management team

Management team with an average of over 20 years of experience in the Spanish Real Estate sector plus an incentive plan aligned with shareholders' interests and subject to achieving targets



Javier Illán Plaza
Chairman & CEO



Juan Odériz
Chief Operating Officer



María Pardo
Head of Investor Relations & Corporate
Communication

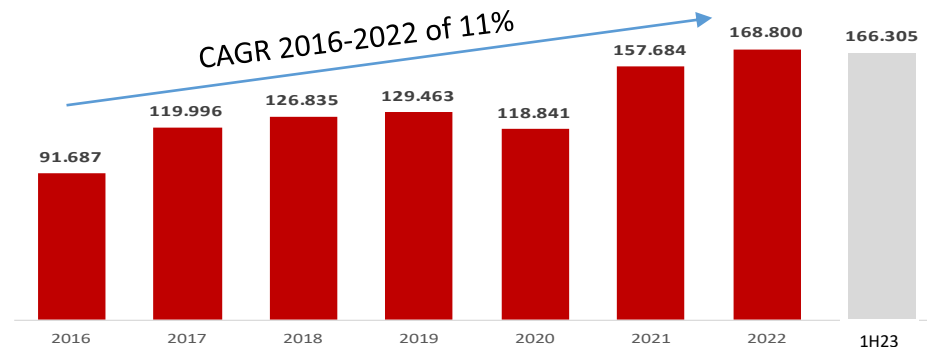
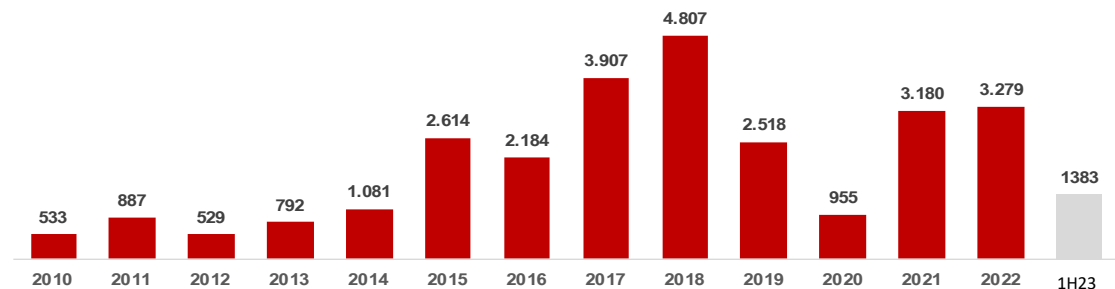


Pedro Maestre
Chief Investment Officer

Positive Market Context: The strength continues both in terms of the volumes of hotel investment and in the industry's fundamentals

In 1H23, hotel investment stood at €1.383 billion, after an excellent 2022 in which this figure reached €3.279 billion. A consolidation of investor interest in urban areas can be seen, with the operations in Madrid and Barcelona in 5-star hotels being particularly significant.

In 1H23, the price was in line with the closing price of 2022, which set an all-time record at €168,800, +7% higher than the figure in 2021 and 33% higher than that recorded in 2019. The reasons for this improvement are due to the operations carried out in the 5-star segment.

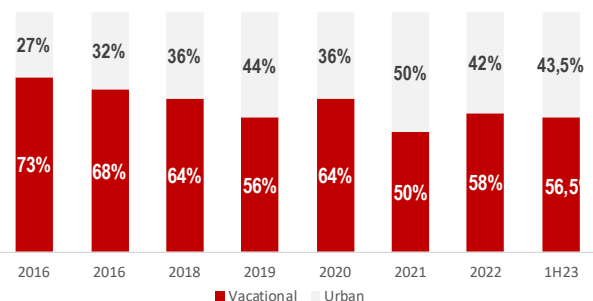


Investment in urban hotels in 1H23 stood at 43.5%, vs. 42% recorded in 2022.

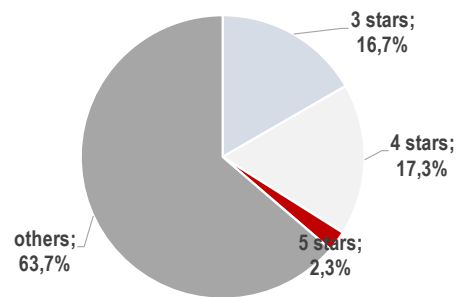
In 1H23, the most significant operations in the sector were in the urban and 5* category, especially in Madrid and Barcelona

The percentage of 5-star hotels of the total hotel stock in Spain is 2.3%, a figure that is significantly below the European average.

Positive outlook for the luxury hotel sector in 2023 despite the macroeconomic situation.



- Operations such as the Mandarin in Barcelona and AC Palacio del Retiro in Madrid stand out, both for over a million euros per room
- Continued high demand from international luxury hotel operators to increase or establish a presence in Spain



- Industry experts state that despite lingering doubts over the economy and the potential impact on the tourism sector, its excellent fundamentals, investor confidence and appetite make them positive as respects hotel investment for the remainder of the year
- On the other hand, the main hotel variables in the 5* segment in 2023 have continued to show signs of strength:
 - ✓ 8.85% increase in ADR to July 2023, standing at €298.63
 - ✓ 9.46% increase in REVPAR to July, standing at €216.11
- Hotel overnight stays increased by 10.8% to July 2023, compared to the same period in 2022, also exceeding the figure for 2019, the last pre-pandemic year



Conclusions

❑ Great achievements in just 4 years

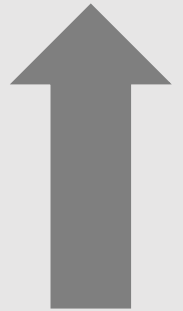
- ✓ High quality portfolio of €632M⁽¹⁾
- ✓ Lease agreements with tier 1 luxury hotel operators. 10/13 assets have a lease agreement.
- ✓ 8 of 13 hotels in operation.
- ✓ MHRE is one of the top 15 REITs of Spain in terms of market cap.

❑ Advantageous position for continued growth

- ✓ Solid financial position.
- ✓ Stable shareholder base committed to permanence.
- ✓ Best-in-class Corporate Governance.
- ✓ Management team fully aligned with the Company's strategy.
- ✓ Favorable market environment
- ✓ Expecting to be listed in the Spanish Stock Exchange in 2023.

(1) GAV as of end June 2023

A European leader
in the luxury hotel
sector







- **The portfolio's GAV⁽¹⁾ has increased by 7.8% from the close of 2022 to €632.1 million as a result of:**
 - ✓ The CAPEX implemented in the period amounting to €40.78 million, arising from the progress of the repositioning works in the hotels.
 - ✓ The increase in valuations carried out by independent experts amounting to €4.64 million, which represents an exception to the widespread decline in valuations observed in the sector⁽⁴⁾ in the first half of 2023.
 - ✓ The large increase in value of all assets in operation after their repositioning stands out (+21% compared to their acquisition cost), with the improvement registered by JW Marriott Hotel Madrid being particularly significant, standing at 30.5%.
- **The 2023 opening plan has been completed ahead of schedule:** during the first half of 2023, JW Marriott Hotel Madrid and Nobu Hotel Seville opened their doors. In August, Nobu Hotel San Sebastian did so ahead of schedule. After these 3 openings, MHRE has 8 of its 13 assets in operation.
- In relation to **the performance of hotels in operation, the Radisson Collection Seville and the JW Marriott Madrid stand out**, thanks to the improvement seen in luxury tourism, which has translated into **higher occupancy and ADRs than expected**.
- In line with the company's philosophy, **lease agreements have been successfully signed with prestigious international hotel chains to put together a unique multi-brand portfolio**, which will contribute to the portfolio's security and the expected profitability of the assets.
- **Significant improvement in results** (revenues of €9.93 million; and net result of €5.47 million) as a consequence of the higher income arising from the hotel business activity due to the commissioning of new assets, the updating of rents in line with the CPI and the improvement in the valuation of the portfolio.
- **We maintain a strong balance sheet:** Net debt (LTV⁽²⁾) of 15.1% and a cash balance of €72.86 million as at 30 June 2023.
- The company teams' **excellent capacities in the repositioning of assets** and the implementation of Capex.
- **Improvement in EPRA NTA per share of 1%**, thanks to the increase in value arising from the entry into operation of new assets.
- **The hotel market continues to show signs of notable strength, both in terms of hotel investment and the evolution of rates and occupancy volumes.** +€1.383 billion has been invested in 1H23, with operations in 5* hotels standing out, accounting for 50% of said amount. Hotel rates and occupancy of 5* hotels continue to rise (ADR +8.85% and REVPAR +9.46% vs 7M22); this is also the category that is growing the most. Added to this is the fact that this year it is expected that the record for tourists and spending per tourist seen in 2019 will be broken, a historic record year for tourism in Spain.

(1) Valuation carried out on 30 June 2023 by independent experts.

(2) Debt with credit institutions - cash and cash equivalents/GAV

(3) Source INE (National Statistics Institute) July 2023 and Colliers International

(4) SOCIMIS listed on the Spanish Continuous Market

Consolidated P&L

(Euros)	06/30/2023 (6 months)	12/31/2022 (6 months)	Var % (6 months)
Revenues	9.930.362	5.505.400	80,4%
Cost of sales	(97.165)	(46.685)	108,1%
Other operating income	295.390	317.787	-7,0%
Personnel Cost	(3.504.868)	(3.167.616)	10,6%
Other operating expenses	(3.441.306)	(2.304.101)	49,4%
EBITDA	3.182.413	304.785	944,1%
Impairment losses of accounts receivable	13.498	0	ns
Changes in fair value of investment properties	6.466.800	16.788.741	-61,5%
Depreciation & Amortization	(413.368)	(328.417)	25,9%
Impairment losses on disposal of non current assets	(1.828.952)	(733.301)	149,4%
Result for loss of control of subsidiaries	0	860.198	ns
EBIT	7.420.391	16.892.007	-56%
FINANCIAL RESULT	(1.949.816)	(1.107.514)	-76%
PROFIT BEFORE TAXES	5.470.575	15.784.493	-65%
Taxes	-	-	
NET PROFIT	5.470.575	15.784.493	-65%
Breakdown by segment			
Revenues	9.930.362	5.505.400	80,37%
Hotels	8.272.626	4.758.966	73,8%
Golf	1.657.736	746.434	122,1%
EBITDA	3.182.413	304.785	944,15%
Hotels	3.651.509	805.951	353,1%
Golf	(469.096)	(501.166)	6,4%

➤ The revenue figure amounts to €9.93 million, 80.4% more than in 1H22, thanks to the better performance of both the hotel business activity (+73.8% vs. 1H22) and the Golf courses business activity (+122.1% vs. 1H22). The reasons for this increase are as follows:

- ✓ The entry into operation of new hotels: JW Marriot Madrid and Nobu Seville, as well as the contribution during the entire half of the Radisson Bilbao (opened in March 2022) and Iberostar Gran Vía Las Letras (acquired on 27 October 2022) hotels.
- ✓ Update of the rents of the Meliá Bilbao hotel in line with the CPI (+5.7%)
- ✓ Improvement in Golf results as a result of the contribution of the La Hacienda Alcaidesa Links golf course, which was closed during the first half of 2022 due to renovation works.

Revenues are expected to continue improving in 2023 due to the additions of new hotels, the update of the Lucentum's rent and the golf courses' expected continuous improvement.

➤ EBITDA⁽¹⁾ stands at €3.18 million, more than 9 times the 1H22 EBITDA, thanks to the improvement in the hotel business EBITDA vs. that registered in 1H22

- ✓ The optimisation of the company's structure and the increase in its size mean that the ratio of overheads⁽²⁾ to EPRA NTA at year-end is expected to be significantly below 1.5%, as established in the company's Management Policy.

➤ Net result of +€5.47 million due to the significant improvement in EBITDA and the improvement in asset value amounting to +€4.64 million

- ✓ Increase in financial income as a result of cash balance remuneration
- ✓ Increase in financial expenses linked to the financing of hotels in operation, due to the fact that these were previously capitalised as higher cost of the work, until they were delivered to the lessee, as well as the greater increase in debt.

(1) EBITDA calculation = Operating result - variation in provisions - variation in the fair value of investment property - Impairment and income from disposal of fixed assets - Amortisation - Result from loss of control of subsidiaries

(2) Defined in the Management Policy and excluding the costs associated with Golf de Alcaidesa due to being temporarily operated by the Company

(3) Excluding Alcaidesa staff

Consolidated Results 1H23 (IFRS)

Consolidated Balance Sheet	30 June 2022	31 December 2022
Total investment properties including those for disposal	647.060.052	597.701.122
Bank Borrowings	-168.396.576	-124.200.628
Cash	72.855.131	72.460.965
Net Debt	-95.541.445	-51.739.663
LTV ⁽¹⁾	26,6%	21,2%
Net LTV	15,1%	8,8%
Average Interest Rate	3,74%	2,98%
Average Debt Maturity	6,6	5,9

- **Tangible and real estate assets increased** mainly due to the CAPEX implemented in the period amounting to €40.78 million and the €4.64 million increase in the asset valuation carried out by independent experts
- **The net LTV debt ratio stands at 15.1% vs. 8.8% at year-end 2022. At the close of June 2023, the company held gross cash of 72.9 million, with the increase in financial debt this half being €48 million**
- **90% of the debt matures after 1 January 2026.**
- **81.38% of the debt is fixed rate ⁽³⁾, with the average rate being 3.74%.**
- **Improvement in EPRA NTA of 1% to €4.71/share**



(1) Debt with credit institutions LTV/GAV
 (2) Only the bank debt included in the balance sheet heading liabilities linked to assets held for sale has been considered.
 (3) Includes debt with negotiated cap

EPRA Earnings and EPRA Earnings Per Share

(Figures in thousand euros)		<u>jun-23</u>
EARNINGS PER IFRS CONSOLIDATED INCOME STATEMENT		5.471
<u>Adjustments to calculate EPRA Earnings, exclude:</u>		
(i) Changes in value of investment properties, development properties held for investment and other interests		6.467
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests		-
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties.		-
(iv) Tax on profits or losses on disposals		-
(v) Negative goodwill / goodwill impairment		-
(vi) Changes in fair value of financial instruments and associated close-out costs		171
(vii) Acquisition costs on share deals and non-controlling joint venture interests		-
(viii) Deferred tax in respect of EPRA adjustments		-
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)		-
(x) Non-controlling interests in respect of the above		-
EPRA EARNINGS		(1.168)
Basic number of shares		115.800
EPRA EARNINGS PER SHARE (Euros)		(0,01)
<u>MHRE specific adjustments, exclude:</u>		
(a) Net profit (loss) from other activities different than hotel leases (i.e. Golf)		(2.577)
(b) Provision for personnel bonuses and other remuneration items		(578)
ADJUSTED EPRA EARNINGS		1.987
ADJUSTED EPRA EARNINGS PER SHARE (Euros)		0,02

The additional specific MHRE adjustments made to determine the EPRA Earnings correspond to the following:

- a) The net result (loss in 1H23) generated by the activity of the golf courses temporarily operated by the Group.
- b) The expense accrued in the period for bonuses and other remuneration items for MHRE personnel, as these items vary from year to year.

APPENDIX - EPRA INFORMATION

At MHRE we recognise the importance of complying with a standardised and generally accepted reporting mechanism on the main economic indicators of the business, in order to provide quality and directly comparable information in the industry, both for investors and for different users of the financial information.

Since January 2023 MHRE is a member of EPRA (European Public Real Estate Association). For this reason, we have dedicated a specific section to present our main economic indicators in accordance with EPRA guidelines.⁽¹⁾

The EPRA set of indicators is based on the information included in the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and makes certain adjustments to provide investors with the most relevant information about a real estate investment company.

The indicators defined in the EPRA Best Practices Recommendations that MHRE considers most relevant are included in this appendix.

(1) The guidance applied is included in the last "Best Practices Recommendations" document issued by EPRA in February 2022, which is available in EPRA's official web page: <https://www.epra.com/finance/financial-reporting/guidelines>

EPRA Net Asset Value (NAV) metrics

(Figures in thousand euros)	30/06/2023		
	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	544.579	544.579	544.579
Include / Exclude:			
i) Hybrid instruments	-	-	-
Diluted NAV	544.579	544.579	544.579
Include:			
ii.a) Revaluation of investment properties (if IAS 40 cost option is used)	-	-	-
ii.b) Revaluation of investment properties under construction (if IAS 40 cost option is used)	-	-	-
ii.c) Revaluation of other non-current investments	-	-	-
iii) Revaluation of tenant leases held as finance leases	-	-	-
iv) Revaluation of trading properties	-	-	-
Diluted NAV at Fair Value	544.579	544.579	544.579
Exclude:			
v) Deferred tax in relation to fair value gains of investment properties	2.514	1.257	n.a.
vi) Fair value of financial instruments	304	304	n.a.
vii) Goodwill as a result of deferred tax	-	-	-
viii.a) Goodwill as per the IFRS balance sheet	-	-	-
viii.b) Intangibles as per the IFRS balance sheet	n.a.	(53)	n.a.
Include:			
ix) Fair value of fixed interest rate debt	n.a.	n.a.	8.191
x) Revaluation of intangibles to fair value	-	n.a.	n.a.
xi) Real estate transfer tax	17.028	-	n.a.
NAV	564.425	546.088	552.770
Fully diluted number of shares	116.032	116.032	116.032
NAV per share (Euros)	4,86	4,71	4,76

APPENDIX – EPRA INFORMATION

According to the latest EPRA "Best Practices Recommendations" document, the calculation of the EPRA NAV and EPRA NNAV ratios were replaced by three new indicators: EPRA NRV, EPRA NTA and EPRA NDV.

EPRA Net Reinstatement Value (NRV)

The objective of this new ratio is to highlight the value of long-term net assets. Therefore, assets and liabilities that are not expected to crystallise under normal circumstances, such as fair value movements of financial derivatives and deferred taxes on real estate valuation surpluses, are excluded. Since the objective of the metric is also to reflect what would be necessary to recreate the Company through investment markets on the basis of its current capital and financing structure, related costs, such as real estate transfer taxes, should be included.

EPRA Net Tangible Assets (NTA)

The calculation of this ratio is made on the assumption that the Company buys and sells the net real estate assets, thus crystallising certain levels of deferred tax liabilities.

EPRA Net Disposal Value (NDV)

In response to investors' interest in understanding the full extent of liabilities and the resulting value of the Company if the company's assets are sold and/or if liabilities are not held to maturity. To this end, this new EPRA indicator provides a scenario in which deferred taxes, financial instruments and certain other adjustments are included in the calculation based on the full extent of its liabilities, including off-balance sheet tax exposure, net of any resulting taxes. This measure should not be considered an 'actual liquidation value' because, in many cases, fair values do not represent liquidation values.



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