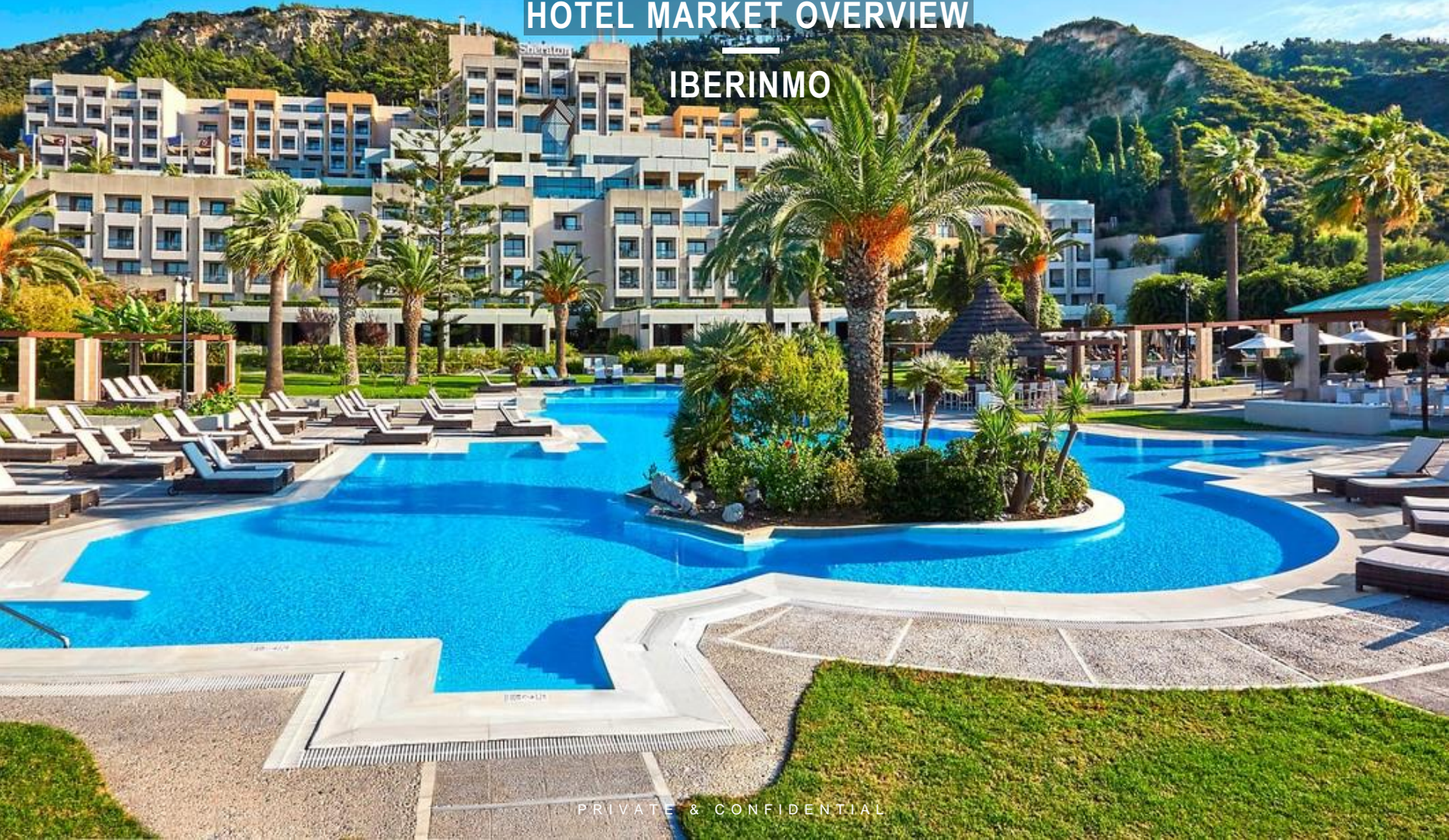




HOTEL MARKET OVERVIEW

IBERINMO



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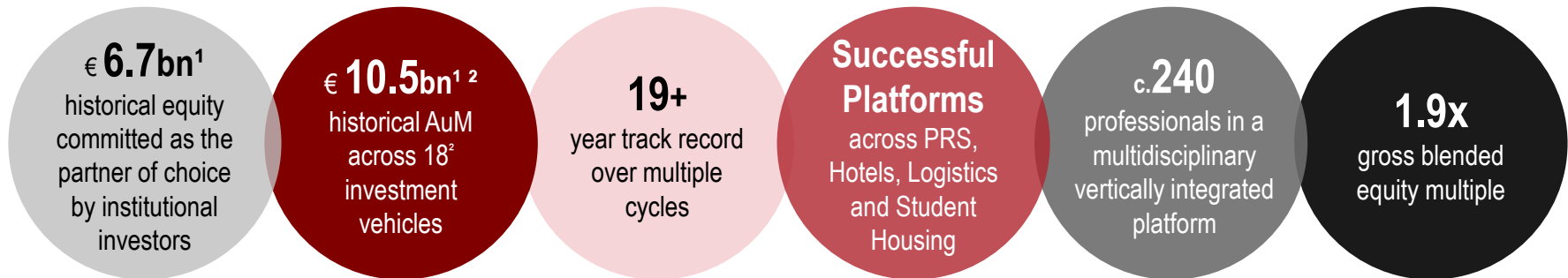
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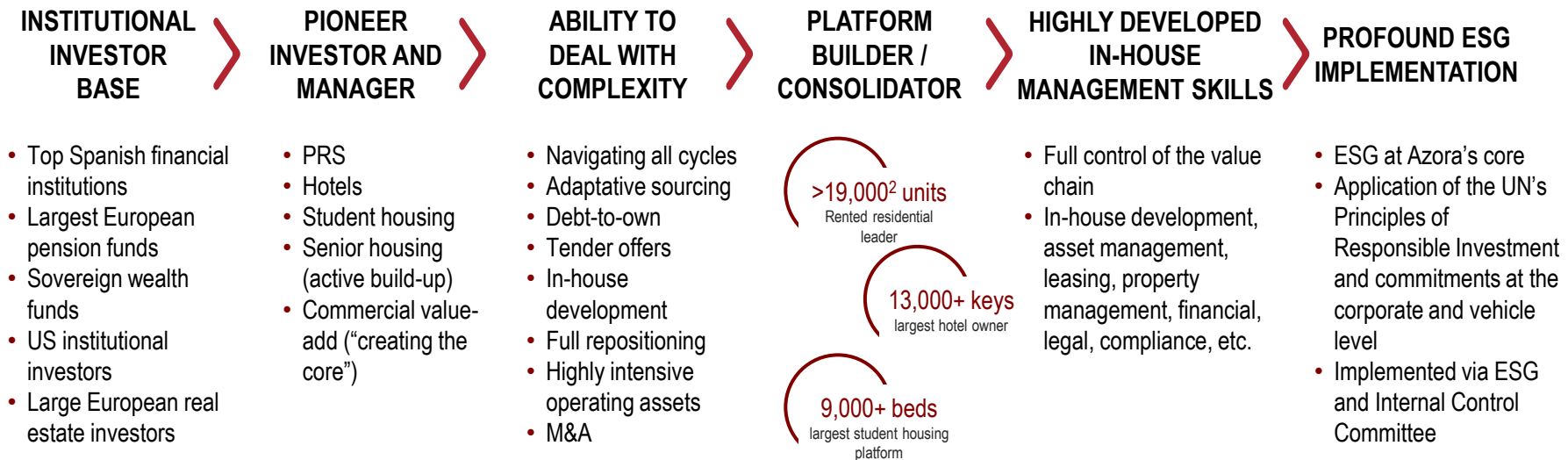


AZORA: A LEADING INDEPENDENT INVESTMENT AND MANAGEMENT PLATFORM OF REAL ASSETS

Azora was founded in 2003 to invest in global real asset opportunities...



...with proven ability to identify untapped investment themes, uncover attractive opportunities and strong execution capabilities across the real estate value chain



¹ As of 31 December 2021 including equity committed by Azora and Exan; ² Including residential vehicles where only property management services are provided as well as proprietary investments; ³ Total units managed since 2003, both full asset management and property management



THE OPPORTUNITY IN LEISURE HOSPITALITY

WE SEE THE OPPORTUNITY IN LEISURE HOSPITALITY STILL LARGE

TOURISM MEGATREND



- **Travel & tourism accounts for a significant and growing share of the global economy** with leisure driving the global travel industry (leisure represents 75% of global travel and is growing faster than business travel (3.8% vs 3.0% CAGR 2019-2029)
- Following the drop caused by covid, **leisure tourism has bounced back**, with 2022 becoming a record summer worldwide

FRAGMENTED MARKET



- **Hospitality market in Europe continues to be very fragmented**, with many hotels belonging to families or lesser-known domestic chains, providing an **attractive opportunity** to reposition and professionalize underinvested assets
- **Lack of professionalism** with respect to revenue and asset management and capex initiatives provides **room for upside**

WEAK ECONOMY COULD HELP SOURCING BETTER OPPORTUNITIES



- A mild recession which puts **pressure on stressed owners and operators could provide investment opportunities at attractive prices**, especially if the low-conviction and more conservative buyers exit the market
- A **conservative approach to underwriting opportunities and capex plans** such as during Covid key to **de-risking transactions**

WE SEE THE OPPORTUNITY IN LEISURE HOSPITALITY STILL LARGE

PROPRIETARY SOURCING



- **Proprietary sourcing of off-market opportunities** through deep and established industry networks through brokers, hotel owners, operators, consultants and lawyers

SKILL TO REDEVELOP / REPOSITION ASSETS



- Investment and conceptualization teamwork hand in hand to design the concept for the asset and develop the capex plan, with a dedicated technical team implementing and executing the capex plan

ACTIVE MANAGEMENT

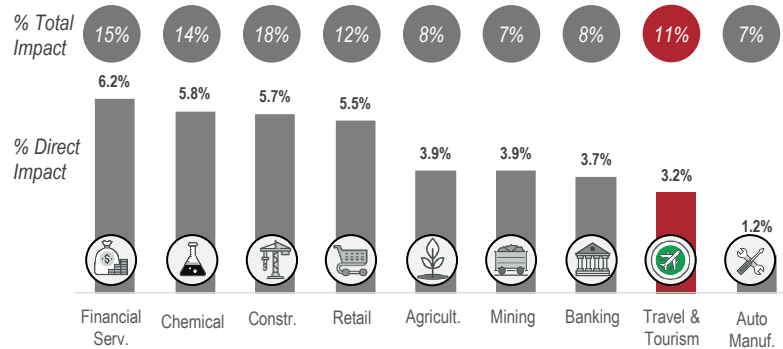


- Dedicated **asset management monitoring results of implemented initiatives** and continuous analysis of KPIs for close monitoring and benchmarking
- Tracking of **customers reviews to identify best practices** and improvement areas

INVESTOR PRESENTATION BACK IN 2019: “LEISURE DRIVING THE INDUSTRY”

TRAVEL & TOURISM IS OUTPERFORMING THE GLOBAL ECONOMY ⁽¹⁾

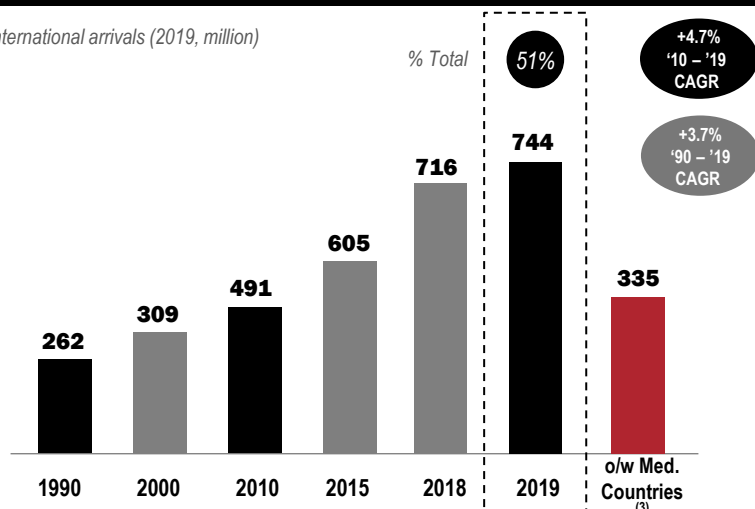
Top global direct GDP constituents; data for year 2018



The travel & tourism industry contributes c. \$2.8 trillion to global GDP p.a. Sector has outperformed world GDP consistently over the past nine years

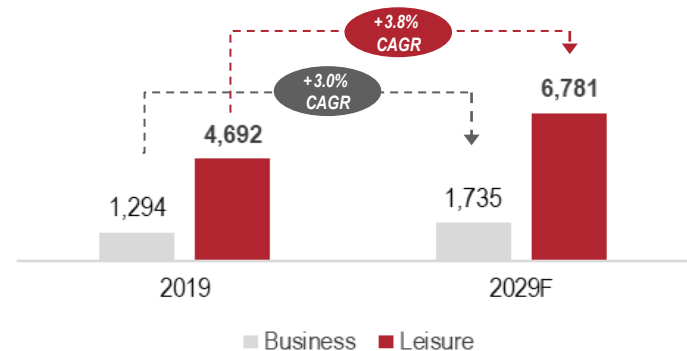
CONTINUOUS GROWTH OF EUROPEAN TOURISM INDUSTRY ⁽¹⁾

International arrivals (2019, million)



GLOBAL TRAVEL SPENDING IS ON THE RISE ⁽²⁾

\$ billion



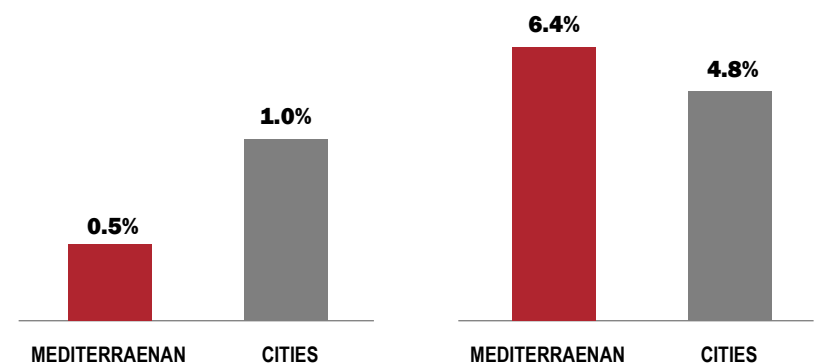
CONSTRAINED SUPPLY GROWTH LEADING TO SIGNIFICANT REVPAR GROWTH

KEY SUPPLY GROWTH ⁽⁴⁾

CAGR '09 - '19

REVPAR GROWTH

CAGR '10 - '18



Notes: (1) Source: UNWTO (2019); (2) Source: WTTC (2020); (3) (5) Including Albania, Croatia, Cyprus, Greece, Israel, Spain, Italy, Malta, Slovenia, France, Montenegro and Portugal; (4) Eurostat (2019). Based on data for Spain, Italy, Portugal, France and Croatia, by number of keys. Based on data for France, Germany, Italy, the Netherlands, Spain and the UK, by number of keys

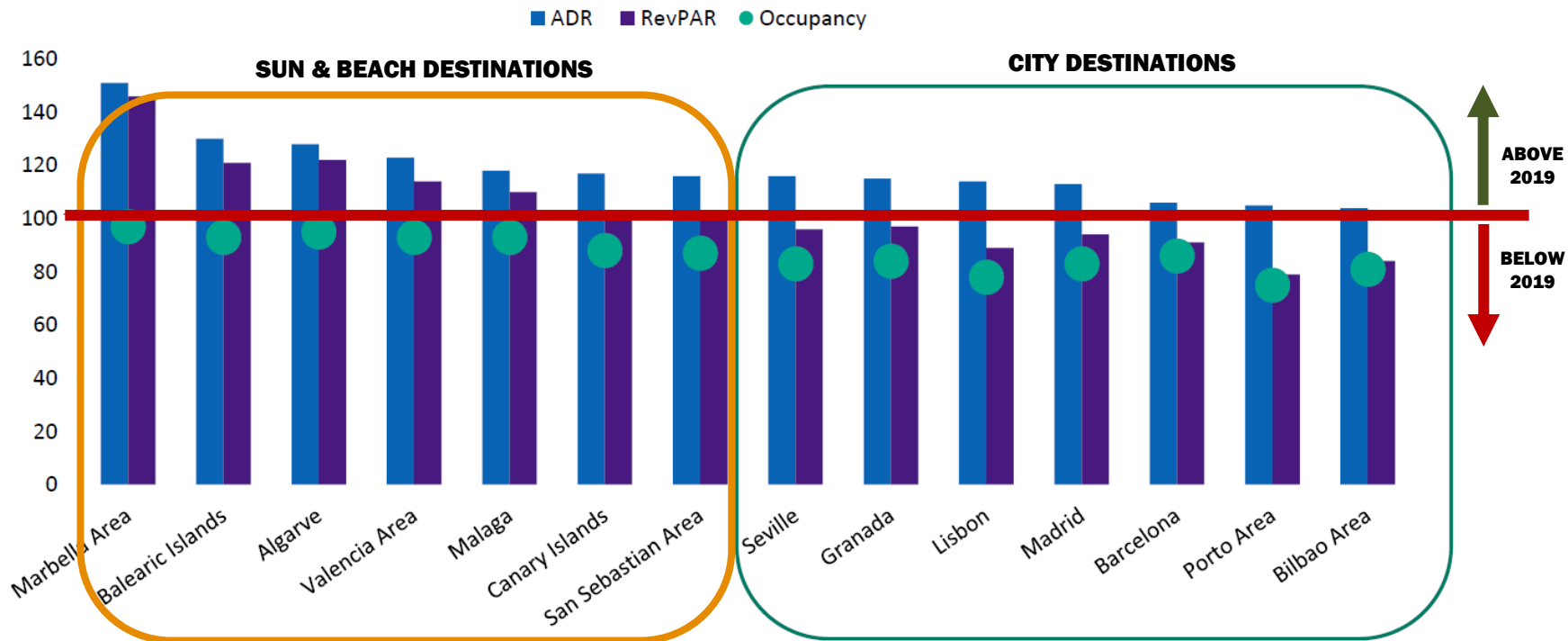
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TODAY: “LEISURE IS A CLEAR INVESTMENT THESIS”

Strong recovery in leisure destinations from a global Covid crisis

SUN & BEACH DESTINATIONS AHEAD OF 2019 REVPAR, WHILE CITY DESTINATIONS BELOW

Index 2019



SUN & BEACH DESTINATIONS HAVE PROVEN MORE ITS RECOVERY CAPABILITIES

TODAY: “LEISURE IS A CLEAR INVESTMENT THESIS”

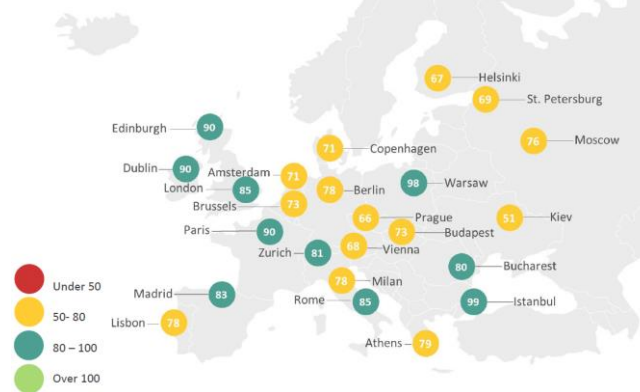
Significant quick recovery from a global COVID crisis, stronger than business segment

CITIES WITH A STRONG COMPONENT OF LEISURE TOURISM LEADING THE RECOVERY

- ADR performance generally above 2019 numbers, but occupancy still not fully there
- In the city segment, cities with a strong leisure component are much closer to recovering 2019 occupancy levels than cities with a dominating business component
- Business group demand in August 2022 was 50% lower during the same period in 2019

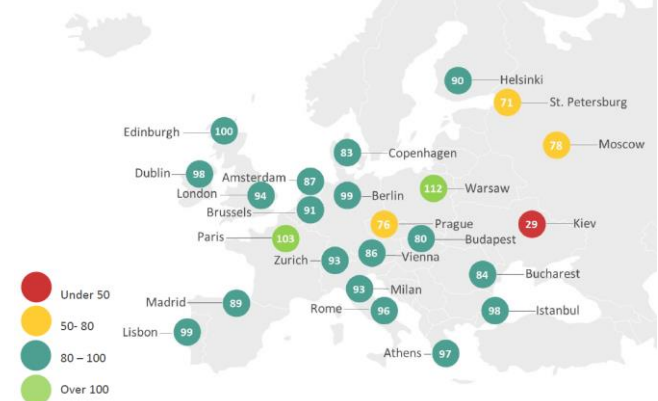
YTD, major cities are still yet to fully recover occupancy...

European major markets, Occupancy (STD), July YTD 2022 indexed to 2019



...but if you look at July alone, the picture is far rosier

European major markets, Occupancy (STD), July 2022 indexed to 2019



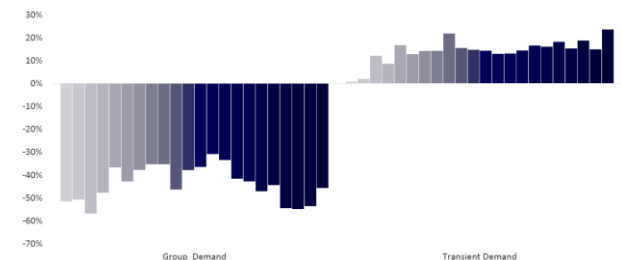
ADR recovery has been strong across key markets

European major markets, ADR (Local Currency), July YTD 2022 indexed to 2019



It's only group business holding back full recovery in Europe

Europe, segmentation Demand % change to 2019, weeks ending 3 Apr – 28 Aug 2022



PIPELINE STRONG BUT HEADWINDS AHEAD...

WHAT ARE WE SEEING?

RECOVERY OF HOSPITALITY SECTOR AFTER COVID REALLY QUICK AND STRONG

**DOUBLE DIGIT GROWTH IN ADRs
with OCCUPANCY STILL NOT THERE**

**GOP 2022 IN LINE OR ABOVE 2019
INCREASED IN REVENUE COMPENSATING
INFLATION / ENERGY**

INFLATIONARY PRESSURES EVERYWHERE

RISK OF RECESSION / CONTRACTION IN THE SHORT TERM

IMPACT OF SHORTAGE OF GAS IN GERMANY COULD BE MATERIAL

HIGHER INTEREST RATES

INVESTORS GENERALLY CAUTIOUS AND WITH LIMITED ACTIVITY



WHAT IS REQUIRED?



**CAREFUL AND RIGOROUS
UNDERWRITING,
AS DONE DURING
COVID**

**PRUDENT 2023
AND 2024
FORECASTS**

**DIFFERENTIATING
TYPE OF RISKS
FOR GENERATING
RETURNS**

THANK YOU



AZORA