Meliá Hotels International, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2024, together with Report on Limited Review

Translation of a report originally issued in Spanish and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Note 2). In the event of a discrepancy, the Spanish-language version prevails.

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Translation of a report originally issued in Spanish and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Note 2). In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Meliá Hotels International, S.A., at the request of the Board of Directors:

Report on the Interim Condensed Consolidated Financial Statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of Meliá Hotels International, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the condensed consolidated balance sheet as at 30 June 2024 and the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for preparing these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

Based on our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2024 are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial statements, pursuant to Article 12 of Royal Decree 1362/2007.

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Emphasis of Matter

We draw attention to Note 2 to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2024 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the aforementioned directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2024. Our work was confined to checking the interim consolidated directors' report with the scope mentioned in this paragraph and did not include a review of any information other than that drawn from the accounting records of Meliá Hotels International, S.A., and Subsidiaries.

Other matters

This report was prepared at the request of the Board of Directors of Meliá Hotels International, S.A. in relation to the publication of the half-yearly financial report required by Article 119 of the Consolidated Spanish Securities Market Law, approved by Legislative Royal Decree 4/2015, of 23 October, and implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE AUDITORES, S.L. (previously Deloitte, S.L.)

Ana Torrens Borrás

31 July 2024

MELIÃ HOTELS INTERNATIONAL

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND CONDENSED CONSOLIDATED INTERIM MANAGEMENT REPORT FOR THE FIRST HALF OF YEAR 2024

NOTICE: This document is a translation of a duly approved Spanish-language document and is provided only for information purposes. In the event of any discrepancy between the text of the original, Spanish-language document shall prevail. Periodic information and its templates regarding the first half of the year required by CNVM, have not been translated.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Balance Sheet

(Thousand €)	Note	30/06/2024	31/12/2023
NON-CURRENT ASSETS			
Goodwill	8	27,129	27,088
Other intangible assets	8	83,582	79,239
Property, Plant and Equipment	8	1,577,356	1,578,149
Right of use	8	1,538,495	1,375,854
Investment property		119,128	117,898
Investments measured using the equity method	9	220,168	240,820
Other non-current financial assets	10.1	161,162	149,673
Deferred tax assets		291,882	289,886
TOTAL NON-CURRENT ASSETS		**4,018,904**	**3,858,607**
CURRENT ASSETS			
Inventories		29,836	29,837
Trade and other receivables		301,885	227,314
Current tax assets		35,906	35,812
Other current financial assets	10.1	73,364	123,345
Cash and other cash equivalents		218,223	160,229
TOTAL CURRENT ASSETS		**659,214**	**576,538**
TOTAL GENERAL ASSETS		**4,678,118**	**4,435,145**
EQUITY			
Share capital	11.1	44,080	44,080
Share premium		1,079,054	1,079,054
Reserves		433,032	433,010
Treasury shares	11.2	(1,746)	(1,615)
Retained earnings		(737,539)	(920,599)
Translation differences		(218,068)	(240,158)
Other measurement adjustments		289	1,429
Profit/(loss) for the year attributed to parent company		43,739	117,734
NET INCOME ATTRIBUTED TO THE PARENT COMPANY		*642,841*	*512,936*
Non-controlling shareholdings	11.3	265,211	50,211
TOTAL NET EQUITY		**908,052**	**563,147**
NON-CURRENT LIABILITIES			
Bonds and other negotiable securities	10.2	52,112	52,082
Bank loans	10.2	761,676	958,390
Lease liabilities	10.2	1,346,026	1,301,464
Other non-current financial liabilities	10.2	53,975	33,713
Capital grants and other deferred income		297,891	298,631
Provisions	15.1	39,306	37,677
Deferred tax liabilities		201,650	167,930
TOTAL NON-CURRENT LIABILITIES		**2,752,636**	**2,849,887**
CURRENT LIABILITIES			
Bonds and other negotiable securities	10.2	43,529	24,585
Bank loans	10.2	252,979	288,837
Lease liabilities	10.2	144,404	147,989
Trade creditors and other payables		528,084	505,276
Current tax liabilities		16,564	9,450
Other current financial liabilities	10.2	31,870	45,973
TOTAL CURRENT LIABILITIES		**1,017,429**	**1,022,111**
TOTAL GENERAL LIABILITIES AND NET EQUITY		**4,678,118**	**4,435,145**

Consolidated Income Statement

(Thousand €)	Note	30/06/2024	30/06/2023
Operating income	6	957,416	909,730
Results from assets sale	2.4	2,634	-
Total Operating income and Results from assets sale		**960,051**	**909,730**
Supplies		(102,179)	(100,052)
Staff costs		(279,198)	(266,466)
Other expenses		(324,121)	(308,204)
Total Operating expenses		**(705,497)**	**(674,722)**
EBITDAR		**254,554**	**235,009**
Leases		(14,254)	(16,482)
EBITDA		**240,299**	**218,526**
Amortisation and impairment of PPE and intangible assets	8	(50,487)	(55,132)
Amortisation and impairment of Right of use	8	(72,226)	(71,320)
EBIT / Results from operating activities	6.1	**117,587**	**92,074**
Exchange differences		(170)	2,405
Borrowings		(36,029)	(35,064)
Financial lease expenses	10.2	(18,727)	(15,644)
Other financial income		2,302	6,805
Net financial income (expense)		**(52,624)**	**(41,498)**
Profit /(Loss) of associates and joint ventures	9	**3,511**	**10,999**
NET PROFIT (LOSS) BEFORE TAX		**68,475**	**61,575**
Income Tax	13	(17,119)	(15,394)
NET PROFIT / (LOSS)		**51,356**	**46,181**
a) Attributed to parent company		43,739	42,494
b) Attributed to minority interests	11.3	7,617	3,688
BASIC EARNINGS PER SHARE IN EUROS		0.20	0.19
DILUTED EARNINGS PER SHARE IN EUROS		0.20	0.19

Consolidated Statement of Comprehensive Income

(Thousand €)	30/06/2024	30/06/2023
Net consolidated (loss) income	**51,356**	**46,181**
Other comprehensive income		
Items that will not be transferred/reclassified to results		
Actuarial gains and losses in post-employment plans	(351)	(810)
Equity consolidated companies	(457)	(579)
Other results attributed to equity	(401)	(388)
Total Items that will not be transferred to results	**(1,210)**	**(1,776)**
Items that may be subsequently transferred/reclassified to results		
Cash flow hedges	(1,528)	(1,275)
Translation differences	22,844	(2,784)
Equity consolidated companies	(340)	(255)
Tax effect	382	318
Total ittems that may be transferred to results	**21,358**	**(3,997)**
Total Other comprehensive results	20,148	(5,773)
TOTAL COMPREHENSIVE (LOSS) INCOME	**71,504**	**40,408**
a) Attributed to the parent company	63,213	36,325
b) Attributed to minority interests	8,291	4,083

Consolidated Statement of Changes in Equity

(Thousand €)	Note	Capital	Share premium	Other reserves	Treasury shares	Retained earnings	Measurement adjustments	Net income of parent company	Total result	Minority interest	Total NET EQUITY
BALANCE AT 01/01/2024		**44,080**	**1,079,054**	**433,010**	**(1,615)**	**(920,599)**	**(238,728)**	**117,734**	**512,936**	**50,211**	**563,147**
Total recognised income and expenses		**-**	**-**	**(217)**	**-**	**(1,260)**	**20,950**	**43,739**	**63,213**	**8,291**	**71,504**
Operations with treasury shares	11.2			238	(131)				107		107
Other operations with shareholders/owners						66,952			66,952	206,703	273,654
Operations with shareholders or owners		**-**	**-**	**238**	**(131)**	**66,952**	**-**	**-**	**67,059**	**206,703**	**273,761**
Distribution 2023 net income						117,734		(117,734)	-		-
Other variations						(366)			(366)	7	(360)
Other variations in net equity		**-**	**-**	**-**	**-**	**117,368**	**-**	**(117,734)**	**(366)**	**7**	**(360)**
BALANCE AT 30/06/2024		**44,080**	**1,079,054**	**433,032**	**(1,746)**	**(737,539)**	**(217,779)**	**43,739**	**642,841**	**265,211**	**908,052**
BALANCE AT 01/01/2023		**44,080**	**1,079,054**	**435,552**	**(3,936)**	**(1,027,440)**	**(224,814)**	**110,694**	**413,189**	**32,662**	**445,851**
Total recognised income and expenses		**-**	**-**	**(592)**	**-**	**(1,201)**	**(4,375)**	**42,494**	**36,325**	**4,083**	**40,408**
Operations with treasury shares	11.2			(2,058)	2,727				669		669
Other operations with shareholders/owners						64			64	10,125	10,189
Operations with shareholders or owners		**-**	**-**	**(2,058)**	**2,727**	**64**	**-**	**-**	**733**	**10,125**	**10,858**
Distribution 2022 net income						110,694		(110,694)	-		-
Other variations						(272)			(272)		(272)
Other variations in net equity		**-**	**-**	**-**	**-**	**110,423**	**-**	**(110,694)**	**(272)**	**-**	**(272)**
BALANCE AT 30/06/2023		**44,080**	**1,079,054**	**432,901**	**(1,209)**	**(918,154)**	**(229,190)**	**42,494**	**449,975**	**46,870**	**496,846**

Consolidated Cash Flow Statement

(Thousand €)	Note	30/06/2024	30/06/2023
1. OPERATING ACTIVITIES			
Net Income before tax		68,475	61,575
Result adjustments:			
Amortisation /depreciation and impairment	8	122,713	126,452
Profit/(loss) from companies carried by the equity method	9	(3,512)	(10,999)
Net financial income	8	52,624	41,498
EBITDA		240,299	218,526
Results from assets sale	2.4	(2,634)	
Other result adjustments		(1,827)	(4,997)
Trade and other receivables		(64,565)	(50,706)
Other assets		1	(2,007)
Trade creditors and other payables		26,418	12,753
Other Liabilities		740	(1,889)
Income taxes paid (collected)		(5,802)	(8,698)
Total net cash flows from operating activities (I)		**192,630**	**162,982**
2. INVESTMENT ACTIVITIES			
Dividends received		8,988	9,196
Investment (-):			
Investments in associates and joint ventures		(3,836)	
Loans to associates and joint ventures, net of cash		(7,848)	(22,767)
Property, plant and equipment, intangible assets and investment property		(32,828)	(43,538)
Other financial investments		(1,895)	(9,648)
Flows to obtain control of subsidiaries	5.2	(37,936)	
Divestments (+):			
Loans to associates and joint ventures, net of cash			7,208
Other financial investments		15,657	1,361
Total net cash flows from investment activities (II)		**(59,698)**	**(58,188)**
3. FINANCING ACTIVITIES			
Paid dividends (-)		(5,017)	
Proceeds from changes in shareholdings in subsidiaries without loss of control	11.3	300,000	
Payments for changes in shareholdings in subsidiaries without loss of control	5.2	(27,947)	
Treasury stock	11.2	107	669
Debt interest paid (-)		(34,580)	(30,086)
Debt issue	10.2	265,500	68,531
Debt redemption and repayment	10.2	(487,907)	(53,271)
Leases	10.2	(88,852)	(90,566)
Other financial liabilities (+/-)		(1,165)	1,109
Total net cash flows from financing activities (III)		**(79,861)**	**(103,614)**
4. GROSS INCREASE/ DECREASE IN CASH OR EQUIVALENTS (I+II+III)		**53,071**	**1,180**
5. Effect of exchange rate changes in cash or equivalents (IV)		**4,837**	**(4,224)**
6. Effect of changes in the scope of consolidation (V)		**86**	**-**
7. NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III-IV+V)		**57,994**	**(3,044)**
8. Cash and cash equivalents at the beginning of the year		**160,229**	**148,680**
9. Cash and cash equivalents at the year end (7+8)		**218,223**	**145,636**

Explanatory Notes to the Condensed Consolidated Interim Financial Statements

Note 1. Group's Corporate Information

The parent or controlling company, Meliá Hotels International, S.A., hereinafter the "Company" or the "parent Company" is a Spanish public limited company that was incorporated in Madrid, Spain, on 24 June 1986 under the registered name of Investman, S.A. On 1 June 2011, the General Shareholders' Meeting approved the change of company name to Meliá Hotels International, S.A. In 1998 the Company moved its registered address to Calle Gremio Toneleros, 24, Palma de Mallorca.

Meliá Hotels International, S.A. and its subsidiaries and associates (hereinafter, the "Group" or the "Company") form a Group comprising companies that are mainly engaged in tourist activities in general, and more specifically, in the management and operation of hotels under ownership, lease, management or franchise arrangements, as well as in vacation club operations. The Group is also engaged in the promotion of all types of businesses related to the tourism and hotel industry or leisure and recreational activities, as well as the participation in the creation, development and operation of new businesses, establishments or companies, in the tourism and hotel industry or any other recreational or leisure activities. Likewise, some companies within the Group also carry out real estate activities by taking advantage of the synergies obtained in hotel development as a result of the dynamic expansion process undertaken.

In any event, the activities that special laws reserve for companies which meet certain requirements that are not met by the Group are expressly excluded from the corporate purpose; in particular, the activities that the law restricts to Collective Investment Institutions or to Stock Market intermediary firms, are excluded.

With over 65 years of history, Meliá Hotels International has consolidated its international presence with 355 hotels in 37 countries, mainly Spain, Latin America, rest of Europe and Asia. With a solid experience in nine brands to attend the different demands of its customers, which demonstrates its leadership in vacation hotel industry and bleisure, Meliá Hotels International aims to position itself amongst the world's leading hotel groups in the upper-medium segment, as well as to be recognised as a world leader in terms of excellence, responsibility and sustainability.

Note 2. Basis of Presentation of the Interim Financial Statements

These Condensed Consolidated Interim Financial Statements for the first six months to 30 June 2024 have been prepared in accordance with IAS 34, "Interim Financial Reporting" and should be read together with the Consolidated Annual Accounts for the year ended 31 December 2023.

The Meliá Hotels International Group's Condensed Consolidated Interim Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations (IFRIC) in force as at 30 June 2024, published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The present Condensed Consolidated Interim Financial Statements will be formulated by the Board of Directors of Meliá Hotels International, S.A. at its meeting to be held on 31 July 2024. Likewise, these financial statements will be subject to a limited review by an auditor.

The figures on the Interim Balance Sheet, the Interim Income Statement, the Interim Statement of Comprehensive Income, the Interim Statement of Changes in Equity, the Interim Cash Flow Statement, all of them in a condensed and consolidated form, as well as these explanatory notes to the accounts are stated in Euro, rounded to thousands, except where otherwise indicated.

The Group's Condensed Consolidated Interim Financial Statements have been prepared on a historical cost basis, understood as the fair value of the consideration given or received in exchange for goods and services, except for those items listed under heading investment property, and for financial instruments classified as financial assets and financial liabilities at fair value through profit or loss, and at fair value through other comprehensive income, which are measured at fair value. It should be mentioned that the balances from the Venezuelan Group companies have been restated at current cost, in accordance with IAS 29, since Venezuelan economy is considered as hyperinflationary.

2.1. Changes in Accounting Policies

The accounting policies applied by the Group are consistent with those of the previous year, and the corresponding interim reporting period.

This financial year, the Group has adopted the amendments approved by the European Union which application was not obligatory in 2023:

- Amendment to IAS 1: "Classification of Liabilities as Current or Non-current and Classification of Non-Current Liabilities with Covenants".
- Amendment to IFRS 16: "Lease Liability in a Sale and Leaseback"
- Amendment to IAS 7 and IFRS 7: "Supplier Finance Arrangements".

These amendments have had no material effects on the Condensed Consolidated Interim Financial Statements or the financial position of the Group.

There are no standards and no amendment to standards issued and approved for use by the EU prior to the date of preparation of these Condensed Consolidated Interim Financial Statements, and which will enter into force in subsequent dates.

2.2. True Image

The Condensed Consolidated Interim Financial Statements have been prepared on the basis of the internal accounting records of the Parent Company, Meliá Hotels International, S.A., and the accounting records of the other companies included in the scope of consolidation as at 30 June 2024, duly adjusted according to the accounting principles established in the IFRS, and fairly present the equity, financial position and the results of operations of the Company, and the cash flows during the relevant period.

2.3. Comparability

The comparison of the Interim Financial Statements refers to six-month periods ended 30 June 2024 and 2023, except for the Consolidated Balance Sheet, which compares the period ended 30 June 2024 with that of 31 December 2023.

2.4. Alternative Performance Measures

The paragraphs below include additional breakdowns on the alternative performance measures (APM) used by the Company, updating the calculations provided at the end of 2023 with their corresponding figures at the closing date of these Interim Financial Statements.

Other financial indicators

- EBITDAR and EBITDA without capital gains: the calculation of the measure for the first half of 2024 is presented.

(Thousand €)	Revenues	Expenses	EBITDAR	Leases	EBITDA
Consolidated Income Statement	960,051	(705,497)	254,554	(14,254)	240,299
Capital gains on fixed assets	(2,634)		(2,634)		(2,634)
Without capital gains	957,416	(705,497)	251,919	(14,254)	237,665

The net income from capital gains on fixed assets for the amount of EUR 2.6 million relates to the net proceeds from the sale of land owned by the Group and located in Brazil, which sale under deed and delivery to the purchasers took place in the first half of 2024, and on which the Group had received advances at the end of the previous year (see Note 8).

For comparison purposes, the reconciliation of EBITDAR and EBITDA without capital gains for the first half of 2023 is not included as there are no differences between the two figures.

- EBITDAR and EBITDA margin without capital gains: The summary of the calculation of the EBITDAR and EBITDA margin without capital gains for the first half of the financial years 2024 and 2023 is shown in the table below:

(Thousand €)	2024	2023
Income without capital gains	957,416	909,730
EBITDAR without capital gains	251,919	235,009
EBITDAR margin without capital gains	**26.31%**	**25.83%**
EBITDA without capital gains	237,665	218,526
EBITDA margin without capital gains	**24.82%**	**24.02%**

- Net Debt: The calculation in which the relevant figures at the Balance Sheet date are included is shown below:

(Thousand €)	30/06/2024	31/12/2023
Bonds and Other Negotiable Securities	95,641	76,667
Bank Loans	1,014,655	1,247,227
Lease liabilities	1,490,430	1,449,453
Cash and other cash equivalents	(218,223)	(160,229)
Net Debt	**2,382,503**	**2,613,119**

- Net Debt Ratio over EBITDA: This indicator is not calculated for the Interim Financial Statements because the EBITDA figure does not correspond to the full financial year.

Hotel management stats:

- Occupancy rate: The calculation details of the occupancy rate of hotels operated under lease and under ownership by the Group at the end of the first half of 2024 and 2023 are shown in the table below:

(Rooms)	30/06/2024	30/06/2023
Available Rooms	4,872,336	5,221,813
Occupied Rooms	3,348,510	3,439,972
Occupancy Rate	**68.72%**	**65.88%**

- ARR (Average room rate): The result of the ARR calculation for the first half of 2024 and 2023 is as follows:

	30/06/2024	30/06/2023
Room Income (Thousand €)	552,391	521,082
Occupied Rooms (nº rooms)	3,348,510	3,439,972
ARR (euros)	**164.97**	**151.48**

- RevPAR (Revenue per available room): The result of the RevPAR calculation for the first half of 2024 and 2023 is as follows:

	30/06/2024	30/06/2023
Room Income (Thousand €)	552,391	521,082
Available Rooms (nº rooms)	4,872,336	5,221,813
RevPAR (euros)	**113.37**	**99.79**

2.5. Accounting Valuations and Estimates

The Directors of the parent company have prepared the Group's Condensed Consolidated Interim Financial Statements using judgements, estimates and assumptions which have an effect on the application of the accounting policies as well as on the balances of assets, liabilities, income and expenses at the issuance date of the present Condensed Consolidated Interim Financial Statements.

The main judgements made by the Directors when applying the Group's accounting policies and the main sources of uncertainty in the estimate were the same as those applied in the Consolidated Annual Accounts for the year ended 31 December 2023, except for:

Corporate income tax expense

Tax accrued on the results of the interim period is calculated on the basis of the best estimate of the weighted average tax rate expected to be applicable at the end of the financial year. The estimated amounts for the corporate income tax expense for the interim period may vary in subsequent periods provided that the estimates of the annual rate also vary.

Recoverable value of fixed assets

As a result of the evolution of operations during the first half of 2024, and taking into account high inflation and market interest rates, the Group, as at 30 June 2024, has re-estimated the future cash flow forecasts of the hotels under lease.

Regarding hotels under ownership and investment property, no evidence that would lead to a significant re-estimation of the market value thereof was identified during the first half of 2024.

Note 3. Accounting Policies

The applied accounting policies are consistent with those of the preceding year.

The exceptional items are presented and described separately in the corresponding notes to the Condensed Consolidated Interim Financial Statements when necessary to provide a better understanding of the Group's results. These are significant items of income or expense that have been presented separately due to the importance of their nature or amount.

Note 4. Risk Management Policies

The General Policy for Risk Control, Analysis and Management of Meliá Group establishes the core principles and guidelines that govern the activities for control and management of risks, both financial and non-financial, faced by the Group. This policy establishes a reduced tolerance for financial risks; therefore, mitigation of risks is a priority in the management of this type of risks in order to minimise the potential adverse effects of these risks on the Consolidated Financial Statements. The actions included in this management are regularly reviewed and updated.

The Group's activities are mainly exposed to several risks: market risk (foreign exchange risk, interest rate risk and price risks), credit risk, liquidity risk, environmental risks and several geopolitical risks. Meliá Hotels International Group, through the management applied, tries to minimise the adverse effects that these risks would have had on its Consolidated Financial Statements.

There follows additional information on these risks:

Environmental Risks

The fight against climate change, the environment protection and biodiversity, are one of the priority strategic lines of the commitment of Meliá Hotels International Group to sustainability and protection of tourism destinations. For this reason, the Group continues to promote an efficient and responsible hotel management model, in both the consumption of resources and the minimisation of the impact of its activity.

In this regard, the Group's main objectives are to promote a certified environmental management system, carry out investments that contribute to decarbonisation objectives, management of water footprint and sustainable mobility.

The Company takes into consideration significant climate risks that may affect its asset valuation.

Geopolitical Risks

The Group is not indifferent to geopolitical and macroeconomic tensions. The conflicts in Ukraine and the Middle East have not negatively affected hotel bookings as there is no direct exposure in the countries involved. For the time being, the risk of spread to other countries and regions has been minimised by mitigating the negative impacts of any spread.

However, a change or escalation in hostilities and the involvement of neighbouring countries could again threaten the global supply chain, potentially leading to an increase in inflation. This increase could have effects on the policies deployed by monetary authorities by limiting the interest rate cuts expected by the market, the impact of which could affect demand. For the time being, this scenario is unlikely, although the Group has procedures and processes in place to adapt and limit potential future impacts.

Liquidity risk

The Directors and the Management of the Parent Company constantly monitor the evolution of the liquidity situation, as well as the impacts that it may have on the credit market, and they consider that, without prejudice to possible improvements and adaptations that may be applied, the liquid assets included in the Consolidated Balance Sheet, as well as the availability of loan agreements and credit facilities (for the amount of EUR 173.5 million as at 30 June 2024), the applied borrowing policies (which have led to improved financial conditions following a refinancing process carried out in the first half of 2024) and the amount of cash flows generated in the worst scenarios, ensure that the Group will meet the obligations included in the Consolidated Balance Sheet as at 30 June 2024 with solvency, and there is no significant uncertainty on the Group's ability to continue as a going concern.

In this regard, thanks to the positive operating cash flow generation and the share sale transaction described in Note 11, during the first half of 2024, Net Debt has been reduced by EUR 230.6 million in the first half of the financial year.

The maturity schedule, excluding credit facilities drawn down and European Commercial Papers (ECP's), is shown below:

(Thousand €)	2024	2025	2026	2027	2028	> 5 years	Total
Bank Loans	98,505	99,939	320,967	170,937	142,912	78,085	911,346
Capital market						52,500	52,500
TOTAL	98,505	99,939	320,967	170,937	142,912	130,585	963,846

The maturity schedule at year-end 2023 is set out below:

(Thousand €)	2024	2025	2026	2027	2028	> 5 years	Total
Bank Loans	280,003	163,126	355,504	132,749	77,807	64,923	1,074,112
Capital market						52,500	52,500
TOTAL	280,003	163,126	355,504	132,749	77,807	117,423	1,126,612

Credit risk

The credit risk arising from the failure of a counterparty (customer, supplier or financial institution) is mitigated by the policies followed by the Group in terms of diversification of the customer portfolio, source markets, monitoring of concentrations and exhaustive control of debt at all times. In addition, in some cases the Group uses other financial transactions to reduce credit risk, such as credit assignments.

The average collection period has increased compared to the end of the previous year by 0.53 days, being 35.02 days at the end of June.

Interest rate risk

The Group maintains a policy of partially hedging against changes in interest rates by obtaining different financial derivatives that allow it to contract a fixed rate for a specified period of time that it applies to financing transactions with variable rates. Of the total financial debt tied to variable interest rates, 27.8% thereof is protected with hedging instruments, 18.13% in 2023.

There follows a breakdown of the debt structure according to the interest rate (these amounts do not include accrued interest that has not been paid or lease liabilities):

(Thousand €)	Variable Interest	Fixed Interest	Total
Bank Loans	363,757	345,525	709,283
Mortgage Loans	109,157	92,907	202,063
Simple Bonds		52,500	52,500
European Commercial Papers (ECP)		43,000	43,000
TOTAL	472,914	533,932	1,006,846

The breakdown of short- and long-term debts at variable interest rate is as follows:

(Thousand €)	Variable Interest Short Term	Variable Interest Long Term	Total
Bank Loans	24,663	339,095	363,757
Mortgage Loans	60,537	48,620	109,157
TOTAL	85,200	387,714	472,914

On 1 July, two mortgage loans amounting to EUR 52.4 million (USD 56 million) were voluntarily early cancelled.

Foreign exchange risk

Despite of not having financial instruments contracted (swaps, exchange insurances), in order to mitigate the possible foreign exchange risks, which arises from commercial, financial, investment and translation transactions, the Group develops policies aimed at maintaining a balance between collections and payments in cash of assets and liabilities denominated in foreign currency.

Almost all the mentioned loans and credit facilities were executed in Euros. In this sense, the financial debt of the Group as at 30 June 2024 is 86% denominated in Euros, 76% in 2023, thus adjusting to the cash generation in different currencies and managing a natural debt hedging, given the cash generation in these currencies.

Price risk

Price risk of the Group's inventories mainly arises from the fluctuations in the price and the availability of food and beverages that the Group sells to its customers. However, the Directors consider that changes in prices are insignificant and are transferred to the selling price of food and beverages, therefore, the Group does not conduct price hedging transactions.

Likewise, the Group is exposed to equity price risks of financial investments in equity instruments. Given the reduced percentage of ownership interest therein, in case of variations not exceeding 10% of the fair value of the assets of the entities in which the Group holds equity instruments without exercising significant influence, these would not significantly affect the carrying amount of these investments in the Consolidated Balance Sheet. On the other hand, the Group has no relevant investments in equity instruments of listed companies.

Note 5. Scope of Consolidation

The most significant changes in the Group's scope of consolidation during the first half of 2024 are detailed below:

5.1. Business Combinations

In the first half of 2024 and during the same period in 2023 no business combinations took place.

5.2. Other Scope Changes

Acquisition of 50% of Melcom Joint Venture, S.L.

In April 2024, the Group's parent company acquired an additional 50% of Melcom Joint Venture, S.L. for the amount of EUR 66 million. This company owns 100% of the shares of Pelicanos Property, S.L.U. and Bellver Property, S.L.U. (all of them previously accounted for using the equity method) and, at the time of the transaction, also 50% of Adprotel Strand, S.L.

As a result of this transaction, the shareholding in Adprotel Strand, S.L. has been increased to 100% without change of control, and the companies Melcom Joint Venture, S.L., Pelicanos Property, S.L.U. and Bellver Property, S.L.U. have been fully consolidated. These companies hold the lease contracts for two hotels in Spain, which were previously operated by Melia Hotels International, S.A. under lease contracts. As a result, at 30 June 2024 the holdings in equity-method companies have decreased by EUR 19 million, and assets and liabilities for the amount of EUR 158 million and EUR 104 million, respectively, have been included, and minority interests were reduced by EUR 28 million, with a positive impact on reserves of EUR 0.2 million.

Transfer of 38.2% of Adprotel Strand, S.L.

In January 2024, the company Mugolu, S.L. was incorporated, to which, subsequently, 100% of the shares in Adprotel Strand, S.L. were contributed following the aforementioned transaction with Melcom Joint Venture, S.L. The company Wamabe Iberia, S.L. has also been incorporated, to which the hotel Melia Cala Galdana has been contributed.

Following this contribution, the companies Wamabe Iberia, S.L. and Inversiones Hoteleras La Jaquita, S.A., owners respectively of the hotels Melia Cala Galdana and Gran Melia Palacio de Isora, were in turn contributed to the company Adprotel Strand, S.L., which subsequently issued preference shares for the amount of EUR 300 million to give a new minority shareholder a 38.2% of its share capital (see Note 11.3).

In addition to the above, the following changes have occurred without significant impacts:

Additions

On 1 January 2024, five Mexican companies were spun off, giving rise to five new companies that are accounted for using the full consolidation method.

Acquisition of additional stake in companies accounted for using the equity method

During the first half of the year, the Group has increased its stake by 0.79% in the Owners' Association of Meliá Castilla through the purchase of seven apartments. This transaction had no significant impacts on the Condensed Consolidated Interim Financial Statements.

For comparison purposes, the changes in the scope of consolidation during the first half of 2023 are shown below:

Additions

On 31 May 2023 the companies Fuerteventura Beach Property, S.L., Santa Eulalia Beach Property, S.L. and Hoteles Marmel S.L. (previously named Starmel Hotels Op2, S.L.) were included in the consolidated Group using the equity method with a valuation of EUR 17.5 million, an amount that was paid by Meliá Hotels International. The said amount included 4.2 million of contributions from shareholders. These 3 companies own 2 hotels in Fuerteventura and 1 hotel in Ibiza, which became operated by the Group under lease.

Disposals

During the first half of 2023 the company Golf Katmandú, S.L, was dissolved, which was 50% owned by Producciones de Parques Group and which was accounted for using the equity method.

On the other hand, the winding-up of the company Third Project 2012, S.L., which was 100% owned by Meliá Group, also took place.

These disposals did not have a significant impacts on the Group.

Acquisition of additional stake in companies accounted for using the equity method

During the first half of 2023, the Group increased its stake by 0.329% in the Owners' Association of Meliá Costa del Sol hotel through the purchase of two apartments. This transaction had no significant impacts on the Condensed Consolidated Interim Financial Statements.

Note 6. Segment Reporting

The identified business segments, which are the same as those detailed in the Consolidated Annual Accounts for 2023, constitute the organisational structure of the Group and their results are reviewed by the Group's highest decision-making authority.

6.1. Information by Operating Segments

The following table shows the information by segments on the volume of revenue before eliminations of inter-segment transactions and profit or loss before interest and taxes for the first half of 2024:

	Hotel							
(Thousand €)	Hotel Management	Hotel business	Other business assoc with hotel management	Vacation Club	Real Estate	Corporate	Eliminations	Balance at 30/06/2024
Operating income	168,667	840,447	51,525	51,369	9,365	49,029	(210,351)	960,051
EBIT	**55,739**	**94,318**	**2,271**	**4,737**	**2,515**	**(41,993)**		**117,587**

Under the Hotel Management segment, EUR 80 million of management fees are recorded, of which EUR 7 million relates to associates.

The main inter-segment transactions relate to the hotel management activity, which includes EUR 112.5 million mainly invoiced to the Hotel Business segment for management fees and booking commissions. Likewise, the Corporate segment includes income from inter-segment transactions for a total amount of EUR 39.7 million.

For comparison purposes, the following table shows the information by segments for the first half of 2023:

(Thousand €)	Hotel							
	Hotel Management	Hotel business	Other business assoc with hotel management	Vacation Club	Real Estate	Corporate	Eliminations	Balance at 30/06/2023
Operating income	146,269	791,904	53,032	37,799	3,816	58,704	(181,794)	909,730
EBIT	**39,664**	**75,142**	**3,537**	**6,264**	**(882)**	**(31,650)**		**92,074**

Under the Hotel Management segment, EUR 69 million of management fees were recorded, of which EUR 6 million related to associates.

The main inter-segment transactions were related to the hotel management activity and included EUR 99.7 million mainly invoiced to the Hotel Business segment for management fees and booking commissions. The Corporate segment included income from inter-segment transactions for a total amount of EUR 37.5 million.

6.2. Information by Geographic Areas

The following table shows the segmentation by geographic areas of the volume of operating revenues generated during the first half of 2024 and 2023:

(Thousand €)	30/06/2024	30/06/2023
Spain	493,825	475,975
EMEA (*)	245,302	225,177
America	379,649	345,761
Asia	4,744	3,807
Eliminations	(163,469)	(140,990)
Total income	**960,051**	**909,730**

(*) EMEA (Europe, Middle East, Africa):
Includes regions of Africa, Middle East and rest of Europe, excluding Spain

Note 7. Paid Dividends

The Parent Company of the Group paid no dividends during 2023 and during the first half of 2024.

However, on 9 May 2024, the General Shareholders' Meeting approved the distribution of dividends, resolving to pay on 9 July 2024, an amount of EUR 0.0935 gross per share with a maximum amount of EUR 20.6 million. On that date, EUR 20.6 million was paid out in this respect, representing a pay-out of 17.5% of the consolidated result for year 2023.

In 2023, the Board of Directors, in order to strengthen the Company's solvency and liquidity, decided not to propose to the General Shareholders' Meeting the distribution of profit for 2022.

Note 8. Property, Plant and Equipment, Rights of Use and Intangible Assets

The movements recorded during the first half of 2024 are broken down in the table below:

(Thousand €)	Goodwill	Other intangible assets	Property, Plant and Equipment	Right of use
Balance at 01/01/2024	27,088	79,239	1,578,149	1,375,854
Additions		13,364	19,977	224,244
Disposals			(3,024)	
Depreciation and impairment		(8,979)	(41,508)	(72,226)
Exchange differences	41	(43)	23,762	10,624
Balance at 30/06/2024	**27,129**	**83,582**	**1,577,356**	**1,538,496**

Section additions of Other intangible assets includes EUR 9 million for a transfer right related to the operation of a hotel located in Catalonia, of which EUR 2 million was paid during the period, and EUR 2 million for the payment of a transfer right related to the operation of a hotel located in Andalusia, in both cases under management.

Regarding Property, plant and equipment, the amount of EUR 20 million in Additions relates to investments and renovations in hotels, of which 13 million has been recognised in Spain. In addition, a derecognition of EUR 3 million was recorded from the sale of land in Brazil (see Note 2.4).

Depreciation and impairment of property, plant and equipment includes a value adjustment for the amount EUR 2.5 million of a hotel asset.

Regarding Rights of use, the additions section includes the variations resulting from amendments of the terms and conditions of the already existing contracts, due to the inclusion of the company Melcom Joint Venture, S.L. and its subsidiaries (see Note 5.2), as well as the variation of lease payments subject to CPI. Additions arising from contractual amendments affect 2 hotels located in Spain, one hotel located in France and one hotel located in Germany.

Heading depreciation and impairment of Rights of Use includes a net reversal of impairment for the amount of EUR 2.3 million, due to the restatement of the flow forecasts until the end of the contract, taking into account the variations between the results obtained in the first half of the year and the forecasts for that period.

Exchange differences have increased the value of tangible assets and rights of use mainly due to the appreciation of the British pound against the Euro.

For comparison purposes, the changes for the first half of 2023 were as follows:

(Thousand €)	Goodwill	Other intangible assets	Property, Plant and Equipment	Right of use
Balance at 01/01/2023	27,940	52,288	1,619,825	1,370,817
Additions		16,066	26,229	119,518
Disposals			(1,220)	
Depreciation and impairment	(886)	(8,537)	(45,709)	(71,320)
Transfers			2,669	(2,669)
Exchange differences	47	36	1,704	8,809
Balance at 30/06/2023	**27,101**	**59,853**	**1,603,497**	**1,425,154**

Section Additions of Other intangible assets included EUR 3.8 million of software applications, within the technological innovation project developed by the Company.

EUR 11 million was also included for the payment of a transfer right related to the operation of 7 hotels and 3 leisure centres in Mallorca.

Regarding Property, plant and equipment, the amount of EUR 25.4 million in Additions related to investments and renovations in hotels, of which 11.9 million was recognised in Spain. In addition, an impairment loss for the amount of EUR 5.5 million was recognised in relation to an establishment in the Dominican Republic due to the demolition of part of its structure.

Regarding Rights of use, the variations caused by the amendments of the terms and conditions of the already existing contracts for the amount of EUR 74.8 million were included in Additions, as well as the variation of lease payments subject to CPI and the addition of 3 new lease contracts of hotels located in Spain for the amount of EUR 13.5 million. Additions derived from contractual amendments affected 12 hotels, of which 11 are located in Spain and 1 in Germany.

Under Depreciation and impairment heading an impairment reversal for the amount of EUR 5.7 million relating to 10 establishments was included, as a result of the activity recovery during the period.

Exchange differences increased the value of tangible assets and rights of use mainly due to the appreciation of the British pound against the Euro.

Note 9. Investments Measured Using the Equity Method

The financial investments representing shareholdings in associates and joint ventures have been measured by applying the equity method.

The following table shows the changes in these shareholdings during the first half of 2024 and 2023:

(Thousand €)	2024	2023
Balance on January 1	**240,820**	**206,192**
Profit / (Loss) on associates and joint ventures	3,511	10,999
Additions	3,836	27,558
Disposals	(27,883)	(12,237)
Exchange differences	(116)	172
Total equity method investments at 30 June	**220,168**	**232,684**

Disposals during the year mainly relate to the derecognition of the companies Melcom Joint Venture, S.L., Pelícanos Property, S.L.U and Bellver Property, S.L.U. for the amount of EUR 19 million, which have become fully consolidated (see Note 5.2), as well as the distribution of dividends of several companies for the amount of EUR 8.4 million.

Regarding 2023, the increase in heading Profit / (Loss) on associates and joint ventures was mainly due to the profit generated by the company Starmel Hotels JV, S.L. on the sale of its 3 subsidiaries, which own and operate 3 resort hotels in Fuerteventura and Ibiza, generating a profit attributable to the Group of EUR 8.9 million.

The additions during 2023 mainly related to the inclusions and contributions from shareholders of the companies Fuerteventura Beach Property, S.L., Santa Eulalia Beach Property, S.L. and Hoteles Marmel, S.L., for the amount of EUR 17.5 million (see Note 5.2) and contributions from shareholders made to the companies of Evertmel Group for the amount of EUR 9.2 million. In this regard, at 30 June 2023, the majority shareholder of the companies comprising the Evertmel Group sold its total stake in these companies, with the Meliá Group maintaining the same percentage stake it already held in these companies at 31 December 2022.

Disposals mainly related to the distribution of dividends and reimbursement of shareholder contributions carried out by the company Starmel Hotels JV, S.L. for the amount of EUR 9.2 million.

Note 10. Other Financial Instruments

10.1. Financial Assets

The following table shows the breakdown by financial instrument categories included in heading Other financial assets under non-current and current assets in the Balance Sheet as at 30 June 2024 and 31 December 2023:

(Thousand €)	30/06/2024			31/12/2023		
	Long term	Short term	Total	Long term	Short term	Total
1. Financial instruments at amortised cost:						
- Loans to associates	35,229	41,272	76,501	33,391	76,596	109,987
- Other loans	24,223	5,232	29,455	24,376	19,256	43,632
- Other	71,652	4,295	75,948	70,224	3,829	74,053
2. Financial instruments at fair value with changes in Other Comprehensive Income						
- Cash flow hedges	431	1,314	1,745	617	2,219	2,835
3. Financial instruments at fair value through profit or loss:						
- Trading portfolio		295	295		229	229
- Trading portfolio derivatives	8,675	20,955	29,630	111	21,217	21,328
- Unlisted equity instruments	20,954		20,954	20,954		20,954
TOTAL	**161,162**	**73,364**	**234,526**	**149,673**	**123,345**	**273,018**

Loans to associates were reduced by EUR 36.1 million in respect of loans granted to Melcom Joint Venture, S.L., as a result of the acquisition of an additional 50% stake in this company in April 2024, after which this company was fully consolidated (see Note 5.2).

Other loans heading decreased by EUR 14.1 million due to the collection of loans granted to non-related companies with which the Group has business relationships and of loans granted to owners of hotels operated by the Group under lease, management and franchise agreements.

The additions in heading Derivatives in trading portfolio for the amount of EUR 8.7 million relate to the valuation made by the independent expert KPMG of the call option of the non-controlling interests in the Group company Adprotel Strand, S.L., as described in Note 11.3.

10.2.Financial Liabilities

The table below shows the breakdown by categories of financial instruments, recorded in headings Bonds and other negotiable securities, Bank debts, Other financial liabilities and Lease liabilities of current and non-current liabilities in the Balance Sheet as at 30 June 2024 and 31 December 2023:

(Thousand €)	30/06/2024			31/12/2023		
	Long term	Short term	Total	Long term	Short term	Total
1. Financial instruments at fair value with changes in Other Comprehensive Income						
- Cash flow hedges	524		524			
2. Financial instruments at fair value through profit or loss:						
- Derivatives in trading portfolio	6,800		6,800			
3. Other financial liabilities at amortised cost:						
- Bonds and Other negotiable securities	52,112	43,529	95,641	52,082	24,585	76,667
- Bank debts	761,676	252,979	1,014,655	958,390	288,837	1,247,227
- Lease liabilities	1,346,026	144,404	1,490,430	1,301,464	147,989	1,449,453
- Other financial liabilities	46,651	31,870	78,521	33,713	45,973	79,686
TOTAL	**2,213,789**	**472,782**	**2,686,571**	**2,345,649**	**507,385**	**2,853,034**

The net variation in headings Bank debts and Bonds and other negotiable securities includes EUR 265.5 million of new financing (of which EUR 42.5 million relates to issuance of ECPs), as well as EUR 419.3 million of repayments (of which EUR 24.3 million relates to ECPs), a reduction of EUR 68.6 million of use of credit facilities and EUR 34.6 million of payment of interest and commissions, as reflected in the Consolidated Cash Flow Statement.

The heading Lease liabilities has increased by EUR 107.6 million due to the variations caused by the amendments of the terms and conditions of the already existing contracts and the variation of lease payments subject to CPI. The financial expense and the variation of the exchange rate increased liabilities by EUR 18.7 million and EUR 8.4 million respectively. In addition, as indicated in the Consolidated Cash Flow Statement, payments for the amount of EUR 93.8 million have been made, of which EUR 88.9 million relates to lease payments.

The additions in heading Derivatives in trading portfolio for the amount of EUR 6.8 million relate to the valuation of the drag-along right granted to minority shareholders of the company Adprotel Strand, S.L., exercisable only in the event of liquidation or material breach of contract, valued by the independent expert KPMG, as part of the sale of non-controlling interests described in Note 11.3.

Note 11. Equity

11.1.Share Capital

As at 30 June 2024 and 31 December 2023 the share capital of Meliá Hotels International, S.A. is EUR 44,080,000 which consists of 220,400,000 shares of EUR 0.20 par value each. The shares are fully subscribed and paid-up, and constitute a single class and series.

All these shares carry the same rights and are listed on the Continuous Market (Spain), except for the treasury shares.

The voting rights held by the major shareholders with a direct and indirect shareholding in Meliá Hotels International, S.A. as at 30 June 2024, compared to the end of 2023, are as follows:

Shareholder	30/06/2024 % Shareholding	31/12/2023 % Shareholding
Hoteles Mallorquines Consolidados, S.L.	24.37	24.37
Hoteles Mallorquines Asociados, S.L.	13.76	13.76
Hoteles Mallorquines Agrupados, S.L.	11.29	11.29
Tulipa Inversiones 2018, S.A.	5.39	5.39
Global Alpha Capital Management Ltd.	12.22	13.23
Other (less than 3% individual)	32.98	31.97
TOTAL	100.00	100.00

11.2.Treasury Shares

Breakdown and movements of treasury shares under liquidity contract are as follows:

	Shares
SHARES AT 31/12/2023	248,014
Liquidity contract purchases	4,399,116
Liquidity contract disposals	(4,422,116)
SHARES AT 30/06/2024	225,014
Average Price €	7.76
BALANCE AT 30/06/2024 (Thousand €)	1,746

There are no securities loaned to banks as at 30 June 2024.

As at 30 June 2024, the total number of shares held by the Company is 225,014, which represent 0.102% of the share capital. Treasury shares do not exceed the 10% limit established by the Spanish Corporate Enterprises Act.

The price of Meliá Hotels International, S.A.'s shares at the end of the first half of 2024 is EUR 7.67. At the 2023 year end, the share price amounted to EUR 5.96.

For comparison purposes, movements for year 2023 were as follows:

	Shares
SHARES AT 31/12/2022	334,014
Liquidity contract purchases	6,506,504
Liquidity contract disposals	(6,636,504)
SHARES AT 30/06/2023	204,014
Average Price €	5.93
BALANCE AT 30/06/2023 (Thousand €)	1,209

As at 30 June 2023, the total number of shares held by the Company was 204,014, which represented 0.093% of the share capital.

11.3. Non-controlling interests

This heading includes the equity interest relating to the rights of third parties outside the Group, including the proportional part of the result corresponding to them.

The consolidated amounts, before reciprocal intra-group eliminations, of the assets and liabilities of subsidiaries and their investees with non-controlling interests, as well as their corresponding share in profit or loss, are as follows:

(Thousand €)	Minority percentage	Total Assets	Total Liabilities	Total Net Assets	Non-controlling interests	Non-controlling interests profit/(loss)
Invers. Explot. Turísticas, S.A.	45.07%	159,014	111,327	47,687	17,443	3,387
Realizaciones Turísticas, S.A. (*)	3.73%	221,926	63,525	158,400	6,518	157
Adprotel Strand, S.L.U. (*)	38.20%	669,638	54,285	615,353	240,835	5,217
MIA Exhol, S.A.	0.31%	437,183	477,561	(40,378)	2,587	72
Other companies		286,518	239,277	47,241	(2,172)	(1,218)
TOTAL		1,774,279	945,976	828,303	265,211	7,617

(*) It includes non-controlling interests in subsidiaries.

Other companies include information relating mainly to hotel operating companies.

Adprotel Strand, S.L.

Following the transactions described in Note 5.2, the company Adprotel Strand, S.L. (Adprotel) owns 3 hotels: the ME London (London), directly, and Melia Cala Galdana (Menorca) and Gran Melia Palacio de Isora (Tenerife), indirectly, through the companies Wamabe Iberia, S.L. and Inversiones Hoteleras La Jaquita, S.A. respectively.

During the first half of 2024, the Group entered into an agreement with the company Moon GC&P Investments, S.L.U., owned by Banco de Santander, S.A., whereby this company acquired a 38.2% stake in the share capital of Adprotel through the subscription of new type B company shares, for a total amount of EUR 300 million between capital and share premium, which grant political rights in accordance with the percentage stake acquired and, consequently, the Group has reduced its stake in this percentage, without loss of control.

These are preference shares since they grant the minority shareholder a preferential access, until the recovery of its investment and without this being guaranteed, to the cash flows from a potential sale of assets or shares by Adprotel, or from a joint sale of Adprotel's own shares by its shareholders, as well as to a percentage of the dividends that, if applicable, the General Partners' Meeting of Adprotel may decide to approve. On the remaining cash flows from a potential sale, Meliá is entitled to the recovery of its investment under the same conditions and, once covered, a proportional distribution would be made on the basis of the corresponding percentage stake (i.e. 61.8% for the Meliá Group and 38.2% for the Santander Group). All events that could result in future cash outflows are under the control of the Meliá Group in accordance with the terms of the agreement.

As indicated above, the percentage stake of each shareholder gives them political rights in accordance with this percentage, and decisions are taken by the General Partners' Meeting by majority vote in accordance with the commercial law. The Group, through other Group companies, operates the aforementioned hotels under lease and manages the use of the assets. On the other hand, Adprotel's preference shares have no maturity date, and there is no contractual obligation on the part of the Meliá Group to purchase or assume in any way the said stake.

However, the Company holds a call option of these preference shares exercisable during the first 7 years from the date of the agreement at a variable strike price depending on when it is exercised which, at the date of the agreement, was out of the money. This option is a derivative financial asset instrument. On the other hand, and only in the event of a liquidation situation or a situation of material breach of conditions under the Group's control, the minority investor has the right to sell its shares at market value to a third party which, if exercised, would activate a drag-along right on the shares held by the Group to such third party, with preference for the minority investor in the cash flows until recovery of its investment, as indicated above, so that from the date of the agreement there is a derivative financial instrument which should reflect the value of the Group's waiver of part of the economic rights that could eventually be obtained. The Group has engaged the independent expert KPMG for the evaluation and valuation of both instruments, having recognised an asset for the amount of EUR 8.7 million and a liability for the amount of EUR 6.8 million in the consolidated balance sheet (see Note 10).

According to the above, and in accordance with IAS 32, an amount of EUR 234.6 million has been recognised under heading Non-controlling interests in the consolidated balance sheet, relating to the percentage stake acquired by the minority shareholder on the net carrying amount of the net assets of Adprotel and its subsidiaries, and an amount of EUR 65.4 million has been recognised under Retained earnings in the consolidated balance sheet for the difference between the cash received and the aforementioned amount of non-controlling interests recognised, since this is an equity transaction to reduce the percentage stake without loss of control.

For comparison purposes the amounts as at 30 June 2023 are included below:

(Thousand €)	Minority percentage	Total Assets	Total Liabilities	Total Net Assets	Non-controlling interests	Non-controlling interests profit/(loss)
Invers. Explot. Turísticas, S.A.	45.07%	157,989	114,467	43,522	16,056	2,294
Realizaciones Turísticas, S.A. (*)	3.73%	202,724	73,933	128,791	6,058	153
Adprotel Strand, S.L.U.	25.00%	215,953	226,509	(10,556)	26,859	589
MIA Exhol, S.A.	0.31%	429,497	484,215	(54,719)	3,102	60
Other companies		285,834	242,630	43,204	(5,205)	592
TOTAL		1,291,997	1,141,755	150,242	46,871	3,688

(*) Includes non-controlling interests in subsidiaries.

Note 12. Evolution of the Average Staff Numbers

The average number of employees in the Group during the first half of 2024 and 2023 is shown in the table below:

GENDER	30/06/2024	30/06/2023
M	9,695	9,694
F	8,389	8,270
TOTAL	18,084	17,964

Note 13. Tax Situation

Corporate income tax is recognised based on the Management's estimate of the weighted average annual income tax rate expected for the full financial year. The average annual income tax rate estimated for the year as at 31 December 2024 is 25%.

The Group has analysed the potential exposure to additional taxation arising from the draft law published last 14 June in the official gazette of the Congress of Deputies and expected to be approved in the last quarter of the year, for the implementation in Spain of the (EU) 15% Minimum Tax Directive, which provides for its application in respect of financial years beginning on or after 31 December 2023. The Group estimates, based on preliminary analyses, that the cumulative amount would amount to EUR 740 thousand until 30 June 2024.

Net deferred taxes relating to IFRS16 correspond to EUR 330,598 thousand of deferred tax assets and EUR 293,512 thousand of deferred tax liabilities.

Note 14. Information on Related Parties

The following are considered to be related parties:

- Associates and joint ventures accounted for using the equity method.
- Significant shareholders of the parent company.
- Members of the Board of Directors and members of the SET.

All transactions with related parties are arm's length transactions under market conditions.

14.1.Transactions with Associates and Joint Ventures

Commercial transactions

Commercial transactions carried out with associates and joint ventures mainly relate to hotel management activities and other related services.

During the first half of 2024, the Group has continued its commercial transactions in relation to associates and joint ventures as it has been doing in 2023, except for the full consolidation of the group comprising the companies Melcom Joint Venture, S.L., Pelicanos Property, S.L.U. and Bellver Property, S.L.U., which have an impact on the balance of commercial transactions with associates (see Note 5.2).

Financing transactions

During the first half of 2024, the Group has continued its financing transactions in relation to associates and joint ventures as it has been doing in 2023, except for the full consolidation of the group comprising the companies Melcom Joint Venture, S.L., Pelicanos Property, S.L.U. and Bellver Property, S.L.U., which had an impact on the balance of financing transactions with associates (see Note 10).

Guarantees and Deposits

Regarding guarantees held by the Group in relation to liabilities recognised in associates and joint ventures, it is worth mentioning that this half of the year no significant variations took place.

At the end of June 2024, the Group has guarantees with associates and joint ventures for the amount of EUR 0.3 million (EUR 0.9 million at the end of 2023).

14.2.Transactions with Significant Shareholders

Balances by type of transaction carried out with significant shareholders of the Group during the first half of the year are as follows:

(Thousand €)	Transaction type	30/06/2024	30/06/2023
Tulipa Inversiones 2018, S.A.	Leases	89	85
Tulipa Inversiones 2018, S.A.	Services received	356	326
TOTAL		445	410

14.3. Transactions with Executives and Members of the Board of Directors

Remuneration and other benefits paid to Directors and Senior Management during the first half of the year are as follows:

(Thousand €)	30/06/2024	30/06/2023
Attendance fees	634	423
Executive directors remuneration	997	785
Senior management remuneration	1,753	1,663
TOTAL	3,384	2,871

The Company has not assumed obligations nor has granted any advance payments or loans to Directors.

In 2024, the payment of the short-term variable remuneration accrued in 2023 is included.

Note 15. Provisions and Contingencies

15.1. Provisions

The breakdown of the balance by type of obligations for the periods ending 30 June 2024 and 31 December 2023, respectively, is as follows:

(Thousand €)	30/06/2024	31/12/2023
Provision for retirement, seniority bonus and personnel obligations	11,678	11,024
Provision for liabilities and taxes	27,628	26,653
Total	39,306	37,677

As at 30 June 2024, the Group assesses the commitments established in collective agreements based on actuarial studies and an accrued amount of EUR 12.2 million has been estimated. As at 31 December 2023, the accrued amount was EUR 11.6 million.

Moreover, the balance of the externalised commitments was EUR 0.5 million in June 2024, with liabilities being recorded at their net amount. At the end of 2023, the balance for this item amounted to EUR 0.6 million.

The technical interest rate applied for the assessment of such commitments as at 30 June 2024 was 3.65%, while as at 31 December 2023, this rate was 3.70%.

15.2. Contingencies

The Group has commitments to third parties not recognised in the Balance Sheet, due to the limited probability that they will entail an outflow of funds in the future.

During the first half of 2024 a guarantee with the subsidiary Corporación Hotelera Hispano Mexicana, S.A. de C.V was renewed with a total net reduction of EUR 0.5 million. In addition, during the year new guarantees were granted to Group subsidiaries for the amount of EUR 0.7 million and several guarantees in the parent company were cancelled for the amount of EUR 1 million.

During the first half of 2023 a guarantee with the subsidiary Corporación Hotelera Hispano Mexicana, S.A. de C.V was renewed with a total impact of EUR 7 million. In addition, during the year new guarantees were granted to Group subsidiaries for the amount of EUR 1 million.

Note 16. Events after the Reporting Date

Following the closing of the Balance Sheet and prior to the submission of these Condensed Consolidated Interim Financial Statements, no transactions with significant impacts on such Financial Statements have been carried out.

Condensed Consolidated Interim Management Report

1. Company's Situation

During the first half of 2024 there have been no significant changes in relation to those aspects related to the organisation structure of Meliá Hotels International, S.A. and its subsidiaries, its organisation chart (except for the changes in the scope of consolidation described in the notes to the Condensed Consolidated Interim Financial Statements), as well as in the Company's operations, therefore, the information available in the 2023 Consolidated Annual Accounts and its corresponding Consolidated Management Report, is considered the most up-to-date information.

2. Business Evolution and Performance

There follows a breakdown for each of the operating segments in which the Company is structured.

2.1. Hotel Business

The evolution of the hotel business for the entire Company is summarised in the following KPIs, broken down by type of management:

€ Millions	H1 2024	H1 2023	% Change
Total aggregated Revenues	**840.4**	**791.9**	**6.1%**
Owned	438.2	391.7	11.9%
Leased	402.3	400.2	0.5%
Of which Room Revenues	**552.4**	**521.1**	**6.0%**
Owned	249.3	222.8	11.9%
Leased	303.1	298.3	1.6%
EBITDAR	**219.0**	**205.5**	**6.6%**
Owned	110.7	100.0	10.7%
Leased	108.3	105.5	2.7%
EBITDA	**204.9**	**189.3**	**8.3%**
Owned	110.7	100.0	10.7%
Leased	94.2	89.2	5.6%
EBIT	**94.3**	**75.1**	**25.5%**
Owned	76.0	63.1	20.5%
Leased	18.3	12.0	52.0%

The evolution of the hotel management model by revenue source is summarised in the table below:

€ Millions	H1 2024	H1 2023	% Change
Total Management Model Revenues	**168.7**	**146.3**	**15.3%**
Third Parties Fees	35.5	28.2	26.0%
Owned &Leased Fees	44.5	40.8	9.1%
Other Revenues	88.6	77.3	14.7%
Total EBITDA Management Model	**57.0**	**41.0**	**38.9%**
Total EBIT Management Model	**55.7**	**39.7**	**40.5%**

Regarding Other businesses linked to the hotel management, the evolution has been the following:

€ Millions	H1 2024	H1 2023	% Change
Revenues	51.5	53.0	(2.83%)
EBITDAR	3.0	4.3	(30.2%)
EBITDA	2.9	4.0	(27.5%)
EBIT	2.3	3.5	(34.3%)

Occupancy rates, ARR and RevPAR by business model, are broken down in the table below, including the (%) change compared to the same period

	OWNED & LEASED					
	Occupancy		ARR		RevPAR	
	%	Chg. (Pts)	€	% Change	€	% Change
Total Hotels	**68.7%**	**2.8**	**165.0**	**8.9%**	**113.4**	**13.6%**
America	66.8%	4.8	163.3	1.6%	109.0	9.5%
EMEA	66.8%	5.2	176.1	0.6%	117.6	9.1%
Spain	71.2%	0.9	158.4	17.1%	112.8	18.6%
Total Hotels (same store basis)	**70.2%**	**3.8**	**169.0**	**4.3%**	**118.6**	**10.3%**

Available Rooms in H1 2024 for Owned & Leased hotels were 4,872 million (5,221.8 million in H1 2023) in PA

	OWNED, LEASED & MANAGED					
	Occupancy		ARR		RevPAR	
	%	Change (Pts)	€	% Change	€	% Change
Total Hotels	**60.1%**	**3.5**	**133.2**	**6.6%**	**80.0**	**13.1%**
America	61.7%	3.0	155.6	4.2%	96.0	9.5%
EMEA	64.3%	4.1	177.3	0.3%	114.0	7.2%
Spain	69.9%	2.7	139.7	14.0%	97.7	18.5%
Cuba	42.3%	1.4	89.6	5.6%	37.9	9.2%
Asia	52.4%	8.3	81.8	(2.0%)	42.8	16.4%
Total Hotels (same store basis)	**60.8%**	**3.4**	**135.9**	**4.9%**	**82.6**	**11.0%**

Available Rooms in H1 2024 for Owned,Leased & Managed hotels were 12,911 million (12,436 million in H1 2023) in PAG

The number of hotels and rooms by business model at the end of the first half of 2024 and year 2023 is as follows:

	Current Portfolio			
	30/06/2024		31/12/2023	
	Hotels	Rooms	Hotels	Rooms
Global Hotels	**355**	**92,502**	**350**	**92,057**
Owned	40	12,196	40	12,195
Leased	85	19,271	87	19,675
Management	168	47,547	166	47,036
Franchise	62	13,488	57	13,151

On the other hand, the hotel pipeline for the upcoming years is as follows:

	Pipeline									
	2024		2025		2026		Onwards		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Global Hotels	10	2,124	26	3,570	23	4,859	12	2,943	71	13,496
Leased	1	271	0	0	0	0	0	0	1	271
Management	7	1,702	19	2,945	18	3,821	10	2,661	54	11,129
Franchise	2	151	7	625	5	1,038	2	282	16	2,096

The first half of 2024 demonstrates the good health of the tourism and hotel sector in particular. The full recovery of the Corporate customer in terms of volume shows the companies' commitment to direct interaction with their partners and customers, as well as the resilience of this market. The recovery of this segment together with our leading positioning in leisure and bleisure allows us to capitalise on the current situation, with RevPar increases higher, globally, than those of our competitors. As for the current pace of daily bookings as well as On the books, these are consistently higher than those recorded in previous years.

For comparison purposes , the first half of 2024 is, in operational terms, comparable to the first half of 2023.

Highlights by region are the following:

In Spain, urban hotels in the first half of the year showed significant growth compared to the previous year, mainly due to the significant growth in rates. The growth in the period is led by Madrid and Barcelona, although the rest of the cities also show double-digit rate growth. In terms of business, the calendar of events during the period has been positive, with a recovery in the volume of visitors to events such as FITUR in Madrid and the Mobile World Congress in Barcelona. On the other hand, Spanish cities have hosted concerts by top artists or major sporting events that generated additional demand. As for Easter, bad weather reduced the pace of last-minute bookings, which affected the performance of the period. However, thanks to the growth in rates, the impact of lower occupancy was offset by revenues. In terms of segments, Direct Customers, Corporate and MICE show the largest increases in volumes and rates.

With regard to our resort hotels, we have had a positive first half of the year, especially in the Canary Islands, with new products and services such as Paradisus Gran Canaria and Paradisus Salinas, which have been well received. For the Spanish coasts, thanks to the attraction of groups and Direct Customers, very good results have also been achieved. In the Balearic Islands, we have started the season with more hotels open since March, where the case of Zel Mallorca stands out. Notable in the period was the contribution of commercial campaigns such as the "Wonder Week", which had some of the most successful promotional days in the history of this promotional campaign. As a general trend in the period, the increase in demand for superior rooms in last-minute bookings continues. In terms of source countries, the increase in our domestic customers, as well as those from the United Kingdom, Germany and the United States, is noteworthy. Finally, as proof of the Company's commitment to quality products and differentiation, the period ended with the opening of the new Zel Costa Brava.

For the EMEA region, in Germany, the first half of the year showed a strong recovery compared to 2023, mainly thanks to the increase in occupancy rates maintaining the prices. Among the calendar of events during the period, the UEFA Euro 2024, together with various trade fairs and congresses, significantly boosted demand. By region, the north of the country benefited from the events held in the region, being affected during the periods of fewer congresses. Southern cities had a successful half year due to the performance of key hotels which, thanks to improvement works in the facilities, defended their market share in the face of increased competition.

In France, the first quarter performance was positive thanks to the recovery in volumes, in a climate of less social unrest and strikes than the end of 2023. Subsequently, the months of April and May also showed a good performance, mainly due to the higher volume of visitors. However, the cumulative increase to that point was reversed in June. This was due to the impact of the preparatory work for the Paris Olympic Games taking place in the capital, which had a significant impact on this month. These works generate disruptions that affect Corporate demand to a greater extent. In response to these impacts, some companies established travel restrictions to the city and encouraged virtual meetings. In addition, several MICE events have been postponed or have not taken place due to their biannual nature, such as the Paris Airshow. The final part of the period was based on marketing to Direct Customers or customers through tour operators, at a lower price due to lower demand in the city, also affecting the surrounding hotels.

In the United Kingdom, the half-year period showed a positive performance overall, with London hotels being the outstanding ones in the country. The city has benefited from recurring events in the city combined with a demand from leisure customers that has remained constant over the period. At the Corporate customer level, our hotels have been able to maintain recurring visits from certain key accounts. The positive performance of the Tour Operators thanks to the inclusion of new customers under dynamic rates is also noteworthy, which enables additional bookings to be generated. With regard to hotels in the north of the country, the first half of the year has exceeded the previous year's records, despite the lower number of MICE events these held last year, such as Eurovision in Liverpool or other concerts. The Corporate sector is however performing positively in the region, with high volumes, but with a room for improvement in terms of rates.

In Italy, our hotels in the city of Milan showed a good performance due to the increase in rates and occupancy thanks to events such as the furniture fair and the fashion week, as well as visits from leisure customers to the city. Gran Meliá Palazzo Cordusio has increased RevPar month by month thanks to the consolidation of some segments such as direct customers and OTAs, while some MICE events were also positive. In Rome, the luxury segment matched the records of the previous year, in our case, thanks to the confirmation of lastminute groups and online channels.

In the Americas region, Mexico has managed to match the revenues of the previous year despite the difficulties, with an increase in occupancy but slight declines in rates. The most difficult segment has been the MICE segment, which last year had a very positive performance after the notable increase in the number of companies and events that were in demand in hotels. The strategy has therefore shifted towards individual customers with somewhat lower rates. On the other hand, this situation is not helped by the decrease in air capacity and connectivity, with some source markets reducing flight frequencies and replacing them by other destinations such as Punta Cana.

With regard to the Dominican Republic, the first half of the year has registered a record number of arrivals to the destination, with Punta Cana airport accounting for up to 60% of arrivals to the country. Increases in air connections and capacity have been accompanied by increases from major source markets such as the United States and Canada. Occupancy figures have evolved very favourably, together with double-digit rate increases in the period. By segments, the Direct Channel has had the largest increases and growth in rates, with the MICE sector being a determining factor in the improved performance of hotels such as Paradisus Palma Real.

In the United States, New York has had a positive first half of the year showing increases in both prices and occupancy. By source markets, there have been no significant changes, with the international market making the greatest contribution. The city remains a major destination for both leisure and Corporate customers. With regard to Orlando, the beginning of the year was marked by the transfer of domestic travellers to other destinations, mainly international. This trend was partly reversed at the end of the first half of the year, thanks also to the holding of a number of events in the city with a positive performance.

In Asia, China benefits from increased volume from OTAs, Corporate and MICE events. The policy of making entry to the country more flexible through visa exemptions has generated a greater volume of arrivals from countries in the region. Long-haul air connectivity remains below pre-pandemic levels and is expected to recover during 2024. For Southeast Asia, hotels in the region are benefiting from the increase in air capacity and connections, increasing the flow of international travellers. This is the case of some Vietnamese cities such as Phu Quoc and Nha Trang, which base their growth on a higher level of customers through tour operators and charter flights. In the case of Indonesia, the growth of international travellers is also significant, mainly in Bali. Cities more linked to the Corporate segment such as Jakarta in Indonesia and Hanoi in Vietnam have performed well, despite the political changes following the election periods, which led to a decline in visits from overseas delegations.

In the Cuban region, the first half of the year is progressing favourably after an adverse situation in the country, due to the significant contraction of domestic demand. Air connectivity with the region remained stable for most of the half of the year, decreasing slightly at the end of the six-month period with some countries. By source markets, the Canadian market once again leads the country's bookings. In terms of segments, again the Tour Operators generate the highest number of bookings followed by Direct Customers.

Outlook

For the third year in a row, the summer season has year-on-year growth prospects. The calendar of MICE events in European cities, together with the Paris Olympic Games, creates a good group base and additional pressure. In the case of holiday destinations in Spain, the evolution of both expenditure per tourist and arrivals is once again expected to be record-breaking. The strong On the Books position, together with our strategy of asset enhancement and repositioning, will be key to capitalise on the increase in the number of travellers and deliver good results.

Our resort hotels in Spain will benefit from the highest tourist arrivals expected throughout the country. The "Wonder Week" promotional campaign anticipates an increase in Direct Customer bookings, and, in general terms, superior room bookings maintain their positive sales trend with an increase in prices and good performance in last minute sales. In this sense, good results are expected with growth in rates for the region, with hotels in Calviá, Tenerife and Coasts being the hotels with the highest increase in results. On the other hand, the trend of direct air connectivity with the United States is consolidated in destinations such as Malaga, which increases its flights to a daily frequency, and Palma de Mallorca, which recovers its direct connection with New York.

In urban hotels, the cities with the highest growth rates are Barcelona, Madrid and Seville. The summer season offers no relevant events, although the calendar in September in Madrid already presents opportunities for trade fairs and congresses. By segments, no changes are expected in the participation of each one of them, with the focus of the period being on the Direct Customer and to capitalise on the temporary demand in the cities.

In EMEA, Germany expects a good third quarter, driven by events such as the final part of the UEFA Euro 2024, concerts and trade fairs. While Corporate demand is affected by the start of the holiday season, it is expected that the events together with leisure customer demand will underpin the recovery in volume and rate maintenance, generating RevPar higher than that in the same quarter last year.

In the case of France, after the slowdown in June, the relevance of the group base and MICE customers will increase compared to previous summers due to the impact of the Games in the city. In addition, September is expected to see a rebound in Corporate customers who have avoided the city in the months leading up to the Games.

In the United Kingdom, the country is maintaining a good performance and outlook for the summer season. London remains the main region driving the country's performance, with expected increases in revenues thanks to a strong MICE base, complemented by Tour Operators and demand in the Corporate sector. These factors combined with events such as Wimbledon, concerts by top artists and other major congresses will boost temporary demand. Regarding hotels in the north of the country, some events held last year will not take place, adding pressure mainly due to lower MICE volume.

In the case of Italy, Milan maintains a good trend in both domestic and international leisure demand, expecting to surpass last year's records. With regard to events, the holding of the women's fashion week stands out, where an increase in demand linked to luxury is expected, and where the Gran Meliá Palazzo Cordusio hopes to capitalise on part of this demand. Regarding Rome, a performance similar to last year is expected considering the positive impact of the Ryder Cup in 2023.

In the Americas, hotels in Mexico expect a higher occupancy volume with a slight decline in average prices, which, however, expect RevPar increases. The MICE segment continues to show a slower pace, while leisure customers show improvements compared to the previous year. Another negative factor is the decrease in seats and air frequencies to Mexican destinations, which have been redirected to other regions.

In the Dominican Republic, demand from Europe, Latin America and the United States shows significant improvements, with family hotels benefiting the most with high occupancies. Despite the high participation of Tour Operators in the period, the improvement in rates is higher in the rest of the segments.

In the United States, New York expects volume improvements while maintaining rates compared to the previous year, despite being in a period of lower demand. Historically, travellers prefer northern or other international destinations at this time of the year due to the high temperatures. With regard to Orlando, good prospects are expected, driven by a larger base thanks to crews and a recently confirmed MICE group. The third quarter should mark the change in trend and start with growth in the city.

In Asia, China has shown a positive outlook since the start of the summer holidays, mainly increasing volumes. Both domestic and international demand is recovering and growing gradually. In Vietnam, thanks also to the holiday period, volumes of primarily domestic demand are expected to increase. At the moment, the visa requirement policy is not as flexible as in other countries in the region, affecting international demand. On the other hand, the rainy season and fewer flights affect hotel demand in destinations most exposed to these facts such as Phu Quoc. Some MICE groups in other cities will generate additional demand. Regarding Hanoi, the third quarter marks the beginning of the lowest season with a lower volume of Corporate customers. Indonesia, expects to increase direct connections with up to 14 Chinese cities, creating a favourable environment for boosting tourism with China.

In Cuba, the third quarter is not expected to be favourable. There are decreases in bookings from source markets except for Canada. This results in fewer bookings On the books compared to the same period in the previous year. The drop in bookings from markets such as the United Kingdom, Belgium, Holland and Argentina, among others, is due to the cancellation of several direct connections with these destinations, which increases the cost and time needed to travel to Cuba.

Other Businesses

Circle and Club by Meliá

Sales during the first half of year increased by 35.1% versus the same period of the previous year. The volume achieved allows to position Circle by Meliá as an important channel in the Punta Cana and Mexico operation.

With regard to the Circle by Meliá operation in Spain, after its launch at the end of 2023, a total of four points of sale have been operated during the period, located in the Canary Islands and Malaga. In addition, during the month of June 2024, a new point of sale located in the Balearic Islands was added.

In terms of revenues (IFRS 15), during the first half of the year the variation was +26% compared to the same period of the previous year, continuing the improvement in the bookings by Members compared to the previous year.

+35.1%

Evolution 6M 2024
Circle by Meliá Sales

+26.0%

Evolution 6M 2024
IFRS 15 revenue by use
Circle by Meliá

Real Estate Business

During the first half of the year, net capital gains for the amount of EUR 2.6 million were recorded on the sale of land owned by the Group in Guarajuba (Brazil), the deed for which was executed during this period. For comparison purposes, no asset rotation transactions took place during the first half of the previous year.

In addition, during the period, Banco Santander, S.A., through one of its subsidiaries, acquired a minority stake in the share capital of a Group subsidiary by subscribing new preference shares. This subsidiary owns, directly or indirectly through other subsidiaries, 3 hotel assets in prime locations which are in an optimal state of maintenance. The total amount paid was EUR 300 million. Previously, and in order to complete this transaction, the Group paid EUR 66 million for the acquisition of 50% of a subsidiary that owned the remaining minority interest in the subsidiary subject to the issue of the shares acquired by the minority shareholder, as well as owning 2 other companies holding lease contracts for two hotels in Spain.

Moreover, the Company continues to work on an additional asset rotation transaction before the end of 2024, consisting of the sale of a minority stake for approximately USD 60 million.

3. Non-financial information

Regulatory Context

As of 2024, listed companies must adapt their sustainability reports to the new European Corporate Sustainability Reporting Directive, which came into force on 5 January 2023, by reporting on the basis of the standards set by EFRAG (European Financial Reporting Advisory Group).

Under this new regulatory context regarding sustainability, the Company is working to adapt to the regulatory requirements and to comply with the requirements for the 2024 Annual Management Report.

Milestones & Awards

- Launch of the first phase of ESG risk analysis in the supply chain.
- Sustainability certified hotel portfolio.
- Empowerment of Sustainability teams in Mexico & Dominican Republic.
- Recognition as the World's Most Sustainable Companies by TIME.
- Diversity Leaders 2024 Award.
- Recognition by Forbes as one of the 100 best Spanish companies to work for.
- Leaders in Merco Talento as the most attractive tourism company to work for.

Responsible Business

This financial year 2024 is the last year of our strategic plan for sustainability, called Responsible Business, with the ambition of leading the transformation of the tourism model towards a more sustainable model, which ensures the integration of ESG criteria and guarantees the generation of value in its triple dimension: economic, environmental and social in the long term.

- **Solid Governance**: An agile and flexible Governance model as an essential part of the company's transformation and adaptation.
- **Leading the Sustainable Transition**: To advance in the decarbonisation of our business, activating levers that allow our value chain to evolve towards a more efficient, responsible and sustainable tourism model.
- **ESG Business Management**: To consolidate the ESG model in our owned and leased hotels and offer an attractive and profitable value proposal for owners and partners.
- **Stakeholder Impact**: To reinforce a transparent and measurable relational model, grounded in our values, that provides value (tangible and intangible) to our stakeholders through continuous improvement.

Corporate Governance

Changes in the Composition of the Board of Directors

The following changes to the composition of the Board of Directors have been initiated in the first half of 2024:

- Resignation of Mr. Francisco Javier Campo García as Other External Director, due to his loss of independent status after more than 12 years as an External Independent Director, and having held the position of Chairman of both Committees.
- Appointment of Mr Cristóbal Valdés Guinea as a new External Independent Director.
- Resignation of Hoteles Mallorquines Agrupados, S.L. (and its representative natural person, Mr. Jose María Vázquez-Pena Pérez) as an External Proprietary Director.
- Appointment of Ms. Mercedes Escarrer Jaume as an External Proprietary Director.
- Appointment of Ms. María Cristina Henríquez de Luna Basagoiti as a Lead Director.

With the new composition, the number of Independent Directors represents 45.45% of the total number of directors, 36.36% are Proprietary Directors, 9% are Other External Directors and 9% are Executive Directors.

This composition guarantees the independence and impartiality of the Board of Directors, following the recommendations of the CNMV's Good Governance Code for Listed Companies and in accordance with the Regulations of the Board.

With the appointment of Ms. Mercedes Escarrer Jaume, the percentage of women on the Board of Directors has increased to 45.45%, complying with the diversity objective set out in recommendation number 15 of the CNMV's Good Governance Code for Listed Companies, in Meliá Hotels International's Diversity Policy, and in Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures.

General Shareholders' Meeting

This year, the quorum for attendance at the General Shareholders' Meeting was again increased from 78.10% in 2023 to 80.60% of the share capital with voting rights.

The Board of Directors resolved to return to dividend distribution, including a proposal for dividend distribution charged to voluntary reserves at the General Shareholders' Meeting held on 9 May 2024 (see section 5).

In addition, the General Shareholders' Meeting re-elected the auditor of the Company and the Group (Deloitte) for the next three years and approved the new **Remuneration Policy for the Board of Directors** for years 2025 to 2027.

Policy on Internal Control over Financial and Sustainability Reporting System

On 20 June 2024, the Board of Directors, at the proposal of the Auditing and Compliance Committee, approved the new **Policy on Internal Control over Financial and Sustainability Reporting System**. This Policy establishes the framework for action and defines Meliá's principles and commitments in relation to the operation of the Internal Control over Financial and Sustainability Reporting System, ensuring an adequate level of reliability through the identification, analysis and assessment of risks; as well as the implementation of measures to ensure the efficiency and effectiveness of the process of recording, processing and preparation of financial and sustainability information.

Internal Control over Financial and Sustainability Reporting System

As a result of the Company's commitment to internal control, the structure of the *Risk Control & Compliance* department was reinforced during the first half of the year, providing it with more resources for internal control, which has enabled, among other aspects, the implementation and deployment of a tool that integrates the matrices of risks and controls linked to financial and sustainability information, thus improving the internal control systems and reinforcing monitoring by the Auditing and Compliance Committee.

Ethics & Corruption

The number of complaints admitted in our complaints channels (employees and third parties) has increased from 35 during the first half of 2023 to 50 during the first half of 2024, which represents an increase of almost 43% compared to the same period of the previous year. This increase is mainly due to two factors: the adaptation of our third-party complaints channel to Law 2/2023 governing the protection of persons who report regulatory breaches and the fight against corruption, enabling any third party to report irregularities or breaches, and the reinforcement in terms of compliance through internal communications or training programmes.

Supply Chain

During the first half of the year, the Company launched a pilot project to measure the level of risk in our supply chain, including aspects related to sustainability, strengthening the due diligence process that the Group already carried out in the supplier registration process. This initiative has allowed to test the model on a certain number of suppliers, both of goods and services, in two key destinations, such as Spain and Mexico.

Climate Change and Environment

Progress in the Fight Against Climate Change and Environmental Issues

The Company continues to work to reduce its energy and water consumption and minimise its carbon footprint by using different levers, with the aim of achieving its emissions reduction targets aligned under the SBTi initiative.

- Energy and water efficiency.
- Increase of the emissions mix: fuel switching, electrification and photovoltaic installations.
- Identification of opportunities for the procurement of guarantees of origin (GoOs).

During this half of the year, the Group inaugurated a photovoltaic plant at the Paradisus Palma Real hotel (Dominican Republic), in collaboration with CEPM (Consorcio Energético Punta Cana), a private company in the electricity sector in the Dominican Republic.

Composed of 926 solar modules and with an installed power capacity of 500 kWp, this investment will produce 936,000 kilowatts per year, offsetting all the energy consumed by the convention centre at the destination.

The estimated energy production in the first year will be 791MWh, with a total of 560 tonnes of CO_2 avoided, i.e. 465 Barrel of Oil Equivalent, improving, with these installations, its energy efficiency ratios.

Water Footprint

During the first half of the year, a campaign was launched to involve customers in the importance of minimising water consumption, mainly in those destinations where there is or has been a situation of water stress. The aim of the campaign was to raise awareness among our customers in the face of what is often an emergency situation and to encourage their commitment.

The Company, in collaboration with partners such as Cetaqua, IDP and Aquatec, continues to make progress in the development of a twin digital platform for monitoring and optimising the water footprint. In this period, technology has been selected to improve the measurement of consumption and the entire process of calculating the footprint of our supply chain has been automated. In addition, a third hotel has recently been added, which will enrich the comparability of the data, as they are hotels under different brands and segments.

Certified Portfolio and Sustainable Tourism

The Group has successfully completed the sustainable certification process for all its hotels, carried out by the entity Ecostars, a sustainability certifier specifically for the hotel industry, which awards eco-stars based on environmental impact, energy efficiency, water management, waste management, carbon emissions and sustainable procurement.

Circular Economy

The Group continues to strengthen its waste management model and to identify different initiatives to increase the recycling rate and circular economy projects, which in many cases require the involvement and encouragement of the teams to identify opportunities at local or national level.

On the other hand, work has been done to redefine key processes in order to improve the separation, measurement, control and traceability of data and indicators, and the qualification and training of the teams involved has been reinforced.

The objectives of the different projects implemented have made it possible to recover some of the waste generated or to reuse certain items, extending their useful life, while at the same time raising awareness among our customers.

Biodiversity & Ecosystems

Mexico and the Dominican Republic are destinations committed to the care of natural capital. We work, in coordination with governmental entities and experts in this field, to preserve the environment, with initiatives such as joining the National Plan for Reforestation and Restoration of Forest Ecosystems in the Dominican Republic.

During this first half of the year, we have revalidated our Blue Flag recognition, both on the beaches of the Dominican Republic and on the beaches of the ME Cabo and Paradisus Los Cabos hotels (Mexico), a voluntary and globally recognised process for beaches, marinas and sustainable tourism vessels. This recognition values the fulfilment and maintenance of a series of strict environmental, educational, safety and accessibility criteria.

Consumption & Carbon Footprint

INDICATOR	UNIT	H1 2024	H1 2023	DIFFERENCE 06.2024-06.2023
E- ENVIRONMENT		PER STAY		
E1. ENERGY MANAGEMENT				
GHG Emissions Scope 1 & 2	CO2e Kg	10.65	11.01	-3.26%
Diesel (Scope 1)	L	0.06	0.08	-23.21%
Propane (Scope 1)	Kg CO_2e	0.33	0.29	12.90%
Natural Gas (Scope 1)	M_3	0.55	0.61	-10.14%
Energy (Scope 2)-Location Based	Kwh	33.61	27.55	22.00%
Energy (Scope 2)-Market Based	Kwh	15.39	15.19	1.30%
E2. WATER MANAGEMENT				
Water consumption	M_3	0.62	0.70	-11.13%

People and Talent

Progress in Talent Management

Attracting and retaining talent is a key lever in human resources management and, currently, a strategic pillar, among other reasons, due to the challenge of loss of attractiveness of the tourism industry resulting from the health crisis which many companies in the sector are facing in order to attract the talent they need in their hotel operations.

The Company has worked over the last few years to strengthen its employer brand, with the aim of attracting new talent, under the "*Very Inspiring People*" approach, a project designed with the aim of strengthening the pride of belonging to our sector and increasing its attractiveness and recognition through a differential proposal, based on the culture and essence of the Meliá Hotels International brand and with the aim of starting a professional career in an industry in a continuous process of transformation.

S- SOCIAL - Labor practices and social development		H1 2024	H1 2023	DIFFERENCE
S1. TALENT MANAGEMENT				
Average Staff	FTE	18,084	17,964	0.67%
Temporary contracting	FTE	13.20%	13.00%	0.20%
Full-time contracting	FTE	97.52%	97.00%	0.52%

The breakdown of the total average staff by gender and job category is as follows:

GENDER	H1	MANAGEMENT STAFF	MIDDLE MANAGEMENT	CORE STAFF	TOTAL
M	2024	161	919	8,616	9,695
	2023	196	887	8,611	9,694
F	2024	76	866	7,446	8,389
	2023	88	829	7,354	8,270
TOTAL	2024	237	1,785	16,062	18,084
	2023	283	1,716	15,964	17,964

Below is a breakdown of the average active and employed staff by region:

REGION	H1	ACTIVE STAFF	STAFF EMPLOYED
AMERICA	2024	8,238	8,238
	2023	8,179	8,179
APAC	2024	54	54
	2023	53	53
CUBA	2024	59	59
	2023		
EMEA	2024	2,331	2,331
	2023	2,306	2,306
SPAIN	2024	7,401	7,401
	2023	7,426	7,531
TOTAL	**2024**	**18,084**	**18,084**
	2023	**17,964**	**18,069**

Accessibility so that anyone interested can find out about the job and employment opportunities that are published and available on our website *careers.melia.com*. Technology helps not only to improve the candidates' experience, but also to make the selection process more efficient and agile. The improvements made have contributed to an increase in visitor traffic (+173%), reaching a volume of around 920,000 visitors and around 80,000 subscribers interested in receiving information and updates on the opportunities published.

In the first half of the year, the demand for new professionals, due to the impact of the opening of many of our resort hotels, prompted us to hold the now famous *Talent Days* and attract young university talent through the *VIP Summer Season Experience* programme, achieving this year a selection rate of 68%. The quality of these events has been recognised by participants with a NPS (*Net Promoter Score*) of 89.26 (+1.62 percentage points versus 2023).

The breakdown of new recruitments by gender and job category is as follows:

GENDER	H1	MANAGEMENT STAFF	MIDDLE MANAGEMENT	CORE STAFF	TOTAL
M	2024	7	100	2,357	2,464
	2023	4	66	1,987	2,057
F	2024	1	68	2,059	2,128
	2023	10	85	2,172	2,267
TOTAL	**2024**	**8**	**168**	**4,416**	**4,592**
	2023	**14**	**151**	**4,159**	**4,324**

On the other hand, we remain committed to the promotion of recruitment of young people and university students, offering job opportunities during non-academic periods. We offer students the opportunity to develop new skills, competences and knowledge that will enrich their professional profile in the future.

Training and Continuous Development

During this first half of the year we held the closing of the second edition of the *MBA Business Analytics & Hospitality Performance*, the result of a collaboration agreement with the prestigious international tourism school VATEL Spain. A master's degree under a theoretical-practical training and taught by a faculty of trainers from both entities. It was designed with the aim of generating professional profiles with analytical and technological skills, adding a cross-disciplinary knowledge of the hotel business. The internal recruitment rate in this second edition was 86%, 19 percentage points higher than the previous year's result.

Our commitment to the development and continuous training of our teams is focused on a series of projects and initiatives of different nature and variety, adapted to different profiles. Some of them are programmes of relevance and success for the Company, which maintain their continuity and integration in the strategic vision:

- *Bridge*, aimed at strengthening leadership skills and conflict and emotional management tools for managers and second positions in our hotels. A total of 642 people were trained during this half of the year.
- *Feel the Beat*, which aims to promote service culture behaviours for each brand, with a participation of 2,387 people trained.
- *Career Path*, our recent development platform for the *Hotel Leadership* group, which provides visibility, with clarity and transparency, to the professional development paths for these profiles, as well as the knowledge, skills and expertise necessary to enrich their professional profile and contribute to their growth as future leaders. In this half of the year, a total of 47 profiles located in Spain, Americas and EMEA have been activated.

Occupational Health & Safety

The Group has simultaneously renewed the certification of its Occupational Health and Safety System according to ISO 45001:2018, as well as Healthy Work Environment according to the requirements of the healthy work environment model of the World Health Organization (WHO). This double certification reflects our strong commitment to improving the safety, physical and mental health and well-being of all our employees, as well as reducing risks in the workplace.

4. Liquidity and Capital Resources

At the end of June, net debt stood at EUR 2,382.5 million, which means a reduction of EUR 230.6 million in the first half of the year. During the same period, net financial debt pre IFRS 16 decreased by EUR 271.6 million, reaching EUR 892.0 million.

The Company has materialised this debt reduction thanks to the sale of minority shareholdings through the entry of new capital in one of the Group's subsidiaries. In addition, the positive generation of operating cash during the period has accelerated debt reduction. Following this progress, the Company maintains its objective of ending 2024 with a net debt/EBITDA ratio pre IFRS 16 of less than 2.5x.

In addition, in the second half of 2024, the Company will continue to work on an additional asset rotation transaction consisting of the sale of a minority shareholding for approximately USD 60 million.

The liquidity position (including cash and undrawn credit facilities) amounts to EUR 391.7 million.

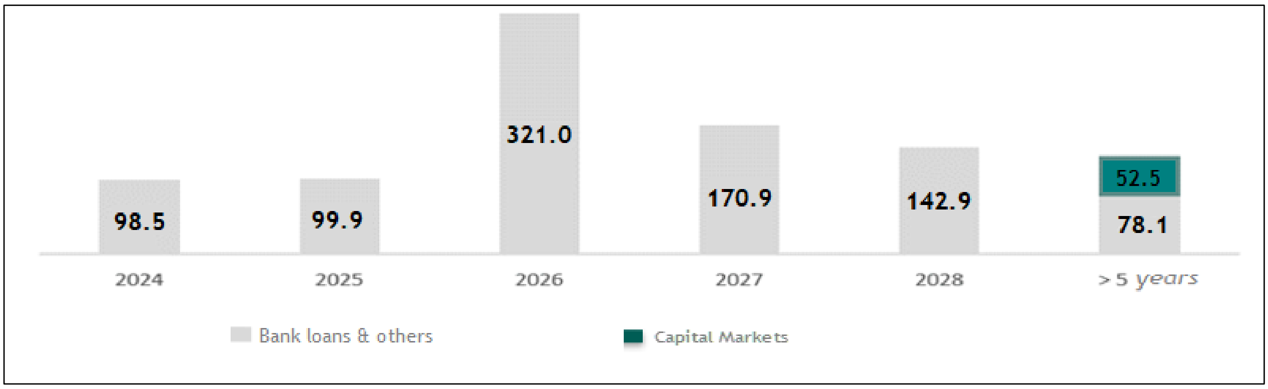
Together with the reduction of the overall amount of financial debt, the Company has carried out a refinancing process with its main relationship banks, with the aim of improving the financial conditions and extending the maturity profile, so that in addition to complying with maturities of the year, during the first half of the year several loans with maturities of more than one year have been cancelled, and new loans and novation of some instruments have been signed.

In addition, on 1 July, two loans for the amount of EUR 52.4 million (USD 56 million) were early cancelled voluntarily. With this impact, the outstanding maturities for the second half of 2024 amount to EUR 46.1 million, having started the year with maturities for the amount of EUR 280 million.

During the second half of the year, the Company intends to complete the refinancing process, with some additional signings and cancellations in addition to those already made during the first half.

The Company presents the following maturity schedule by nominal amount. The figures shown below (million EUR) exclude credit facilities drawn down and European Commercial Papers (ECP's):

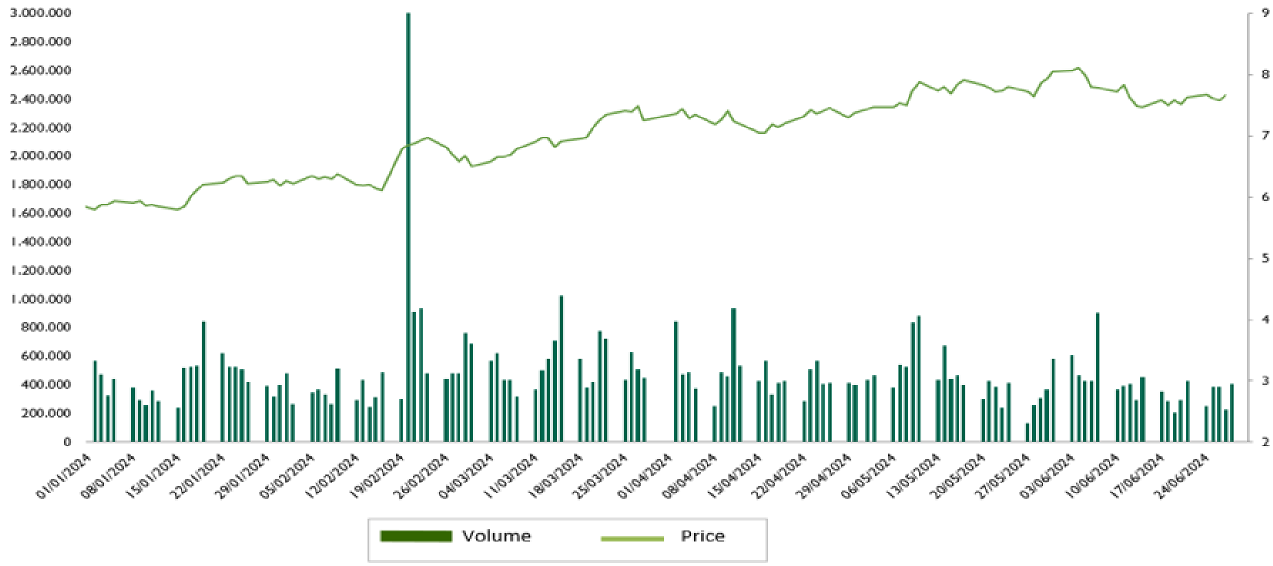
(Thousands €)	2024	2025	2026	2027	2028	> 5 years	TOTAL
Bank loans & others	98.5	99.9	321.0	170.9	142.9	78.1	911.3
Capital Markets						52.5	52.5
TOTAL DEBT (no policies and ECP)	98.5	99.9	321.0	170.9	142.9	130.6	963.8



5. Other Information

Stock Information

The following table shows the evolution of Meliá's stock price during the first half of the year:



	Q1 2024	Q2 2024	2024
Average Daily Volume (Thousand Shares)	534.61	443.79	489.20
Melia performance	25.67%	2.34%	28.61%
IBEX 35 performance	9.63%	-1.18%	8.33%

	H1 2024	H1 2023
Number of Shares (Millions)	220.40	220.40
Average Daily Volume (Thousand Shares)	489.20	1,000.7
Maximum Share Price (euros)	8.12	6.56
Minimum Share Price (euros)	5.80	4.71
Last price (euros)	7.67	6.35
Market capitalization (million euros)	1,689.37	1,399.54

Source: Bloomberg

Dividend Policy

On 29 February 2024, the Board of Directors agreed to propose to the General Shareholders' Meeting the distribution of dividends, after having been suspended in previous years, in order to strengthen the Company's balance sheet and liquidity. On 9 May 2024, the General Shareholders' Meeting agreed, by a large majority, to distribute a gross dividend of EUR 0.0935 per share charged to voluntary reserves. This amount was paid on 9 July, implying a payout ratio of 17.5% of the consolidated result for the year 2023.

Environmental Risks

These Condensed Consolidated Interim Financial Statements do not include any item relating to environmental information that should be included pursuant to Order of the Ministry of Justice dated 8 October 2001.

6. Events after the Reporting Date

As mentioned in Note 16 to the Condensed Consolidated Interim Financial Statements, following the closing of the Balance Sheet and prior to the submission of these Condensed Consolidated Interim Financial Statements, no transactions with significant impacts have been carried out.

PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND MANAGEMENT REPORT FOR THE FIRST HALF OF YEAR 2024

CERTIFICATE OF PREPARATION OF FINANCIAL STATEMENTS. I, the Director-Secretary of the Board of Directors of MELIÁ HOTELS INTERNATIONAL, S.A., hereby issue this certificate to place on record that at the meeting of the Board of Directors of the Company held on 31 July 2024 (Wednesday); previously convened in a proper and timely manner and according to the provisions of Article 35 and related articles of the Company Bylaws and Article 17 and related articles of the Regulations of the Board of Directors; with address/head office for this purpose in the registered office at Calle Gremio Toneleros, No.24 of E-07009-Palma (Majorca), the attached condensed consolidated interim financial statements and management report have been prepared and approved unanimously by all the members of the Board of Directors.

The said document (the Condensed Consolidated Interim Financial Statements and the Condensed Consolidated Interim Management Report) is issued in 38 sheets (pages from 1 to 38) and has been signed electronically by me, the Secretary of the Board of Directors.

In witness whereof and for all pertinent legal and formal purposes, I, the Secretary, hereby certify the above information in Palma on 31 July 2024.

Luis Mª Díaz de Bustamante y Terminel
Director-Secretary of
MELIÁ HOTELES INTERNATIONAL, S.A.
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